

# The Mining Journal

## ANALYSIS OF RAND AND O.F.S. QUARTERLIES

### It's Not All That Bad!

FROM the standpoint of the Kaffir market, the one encouraging indication to have emerged from the painful and depressing discussions on South Africa at the Commonwealth prime ministers' conference is that the political factor shows some signs of being played out, and as in the weeks after Sharpeville, the post-conference drop in the market has primarily been the result of protective marking down by the jobbers and the market has remained extremely thin. In fact on this occasion both the marking down appears to have been sharper and the dealing considerably less than a year ago.

#### Sharper Fall — Less Selling

Thus between March 21 (Sharpeville) and April 12 of last year the combined gold index of Johannesburg's *Financial Mail* fell 8.7 points from a level of 119.4 whereas between March 15 (Commonwealth conference) and April 11 of this year, the fall was 16.4 points from a level of 110.8. Although the price fall in this period was thus nearly double that in 1959, the Johannesburg Stock Exchange turnover in the same period was only a little more than half as heavy.

Moreover in contrast to the post-Sharpeville selling, which was largely from outside the Union, selling since the Commonwealth prime minister's meeting, and more especially since the beginning of April, has been of South African origin, the small amount of London selling having been concentrated mainly on the finance companies, on which London investment interest has largely centred in the past year or so.

#### Why Have South Africans Been Selling?

The real cause underlying South African selling, which appears to have been very largely among private investors, admits of three different explanations, which may each have contributed something to the movement. They can be summarized as respectively psychological, necessitous and tactical.

Psychologically there is no doubt that many South Africans took a far gloomier view of the significance and consequences of the Commonwealth conference than, as will emerge from this article, is justified by the facts. Coming on top of a fifteen month period in which the Kaffir market has been either in continual decline or in brief but uncertain recovery, the urge to get out while there was something to salvage is psychologically understandable, although in a country where you cannot export your

capital abroad, selling out does not itself solve anything.

However, the psychological inclination to go liquid has been supplemented by one or possibly two other factors. One is that the steep fall in share prices has reduced the value of shares pledged as securities against loans and has equally necessitated Johannesburg brokers requiring additional cover in respect of forward share deals (normally sixty or ninety days). These influences have inevitably lead to forced selling which may well continue until the liquidation of vulnerable positions has been completed.

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Finally, a tactical consideration, which may be influencing more knowledgeable investors, is the possibility (discussed more fully on page 7), that South African institutional buying of companies with any substantial foreign shareholding may deliberately be withheld to whatever extent is necessary to depress prices to the point of discouraging foreign sellers. It may be that some South African investors, anticipating a further fall in prices, are selling now to get in again later.

Against this, the second week in April witnessed the heaviest American buying of Kaffirs for a long time, which the market attributed to the high yields now offered.

#### Political Selling Largely Over

Looking back over the past three years, the picture is, of course, much more one of steady disinvestment from non-South Afri-

can centres than of any sudden flood of selling on bad political news, and it now looks as if those investors, who are likely to be stampeded on political considerations, have been largely shaken out of the market and that we are left with the hard core of those who are prepared to hold Kaffirs for their intrinsic worth (or even to buy at current yields) or who still remain unconvinced that juggling with the mechanism of the I.M.F. will provide a permanent substitute for raising the gold price—a subject which we discussed in the leading note in the *Mining Journal* of April 7.

Indeed, the political tap may in any case be running dry, if for no other reason than that, short of direct foreign intervention in South African affairs or extensive outbreaks of civil disturbance inside the Union, the future pattern both of South Africa's foreign relations and of the internal trend in racial policies now seem more clearly discernible than for some time past.

The Sharpeville and Langa riots, it must be remembered, were not in themselves so very different in nature or degree from previous such incidents. Their real significance lay in the much more sensitive reaction to them, both inside and outside South Africa, in consequence of the mounting awareness, on all sides, of the African racial problem as underlined in Mr. Macmillan's wind of change speech.

Along with the mounting recognition in the Union that the racial problem must be tackled, the tightening up of security measures and the break up of "illegal" African political organisations, which took place during the state of emergency, have probably lessened the danger of imminent internal disturbance, either violent or by organised passive resistance. The anniversary of Sharpeville on March 21 passed off without incident, but a more significant pointer in this contest will be the outcome of the demonstrations planned by certain African and Coloured organisations to coincide with the declaration of the Republic on May 31.

#### Economic Consequences of Isolation Overestimated

Externally the record of U.N.O. hardly suggests that South Africa need fear any direct external intervention in her affairs, although the danger cannot be discounted of the operation by some countries of a more effective trade boycott than hitherto. However, quantitatively, this is a less serious threat than might be supposed. Thus gold, which has yet to show itself

(Continued on page 7)

## FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to March 31, 1961 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (Gold) £(000)	EARNINGS, DIVIDENDS & YIELD											
				Working Profit		Uranium Profit After Loan Repayment		Taxation and/or Mining Lease		Net Profit After Tax			Earned in current year to date s. d.	Paid						Yield on Price 18/4/61 (0/0)				
				This	Last	This	Last	This	Last	This	Last			1959/60			1960/61							
														s.	d.	s.	d.	s.	d.		s.	d.		
Gold Fields	Doornfontein	9,826,000 (10/-)	9	2157.9	1710.6	102.8	104.9	306.5	—	1954.2	1816.2	1092.2	4	0	1	6	1	6	1	6	1	4	8	11.3
	Libanon	7,937,300 (10/-)	9	644.6	557.0	—	—	—	—	644.6	559.6	441.1	1	7	3	3	4	3	4	3	4	8	6.6	
	Luipaards Vlei	4,969,105 (2/-)	9	627.7	622.3	(a)	(a)	329.9	332.2	297.8	349.9	Cr. 8.0	1	2	1	0	1	0	1	0	1	0	24.2	
	Rietfontein C.	1,122,252 (3d.)	3	4.4	20.8	—	—	0.1	10.5	4.3	10.3	—	1	10*	1	2*	6*	7.2*	—	—	—	—	—	
	Robinson	2,000,000 (5/6)	3	4.3	L19.9	—	—	—	—	4.3	L19.9	—	—	—	—	—	—	—	—	—	—	—	—	
	Simmer	6,750,000 (1/6)	3	L0.8	L44.1	—	—	—	—	L0.8	L44.1	Cr. 8.3	—	—	6*	—	—	—	—	—	—	—	—	
	Sub Nigel	1,771,875 (3d.)	9	128.6	171.4	—	—	3.5	63.4	125.1	121.8	—	1	6	1	6*	1	3*	1	3*	1	3*	—	
	Venterspost	4,900,000 (10/-)	9	706.3	518.5	—	—	184.1	139.7	522.2	388.9	172.6	2	2	10	10	1	0	1	0	1	0	11.1	
	Vlakfontein	6,000,000 (10/-)	3	275.4	258.6	—	—	141.3	130.9	134.1	127.7	0.1	5	11	1	0	1	1	1	1	1	1	12.6	
	Vogels	5,028,571 (3d.)	3	45.0	64.7	90.5	93.0	86.6	94.7	48.9	63.0	2.3	2	2	11*	10*	8*	8.4*	—	—	—	—	—	
W. Drie	14,082,160 (10/-)	9	9723.8	7548.7	216.2	221.2	4798.5	3639.9	5141.5	4131.5	2286.3	7	4	c2	1	c2	4	2	7	2	10.8	7.1		
Anglo American	Brakpan	4,600,000 (3d.)	3	54.9	34.0	—	—	9.9	3.2	45.0	30.8	Cr. 1.0	2	4	4	6*	4	4	6*	—	—	—	—	
	Dagga	7,000,000 (5/-)	3	671.5	684.0	169.8	277.8	623.7	610.3	300.6	351.5	12.2	10	2	3	2	3	2	0	2	0	2	21.3	
	East Dagga	3,730,000 (10/-)	3	127.8	118.3	—	—	53.8	49.2	74.0	69.1	Cr. 1.4	5	7	7	7	7	7	9	16	9	16.7		
	F.S. Geduld	10,000,000 (5/-)	6	4049.8	3838.9	—	—	372.5	—	3677.3	3838.9	655.1	7	4	4	6	3	6	5	0	3	6	9.2	
	P. Brand	14,040,000 (5/-)	6	4923.0	4945.0	170.0	187.5	2515.7	2317.2	2577.3	2815.3	699.4	3	8	3	0	2	6	3	0	2	6	10.9	
	P. Steyn	14,040,000 (5/-)	6	1025.7	1086.2	230.7	224.3	—	—	1255.4	1310.5	874.2	1	9	1	3	1	0	1	0	9	10.1		
	S. A. Lands	2,475,000 (3/6)	3	150.2	125.2	—	—	2.2	—	148.0	125.2	158.3	1	2	1	3	6	6	6	7.0	—	—	—	
	Springs	10,110,000 (3d.)	3	44.4	45.5	—	—	11.6	11.5	32.8	34.0	Cr. 7.1	1	—	—	6*	—	—	—	—	—	—	—	
	Vaal Reefs	10,500,000 (5/-)	3	784.0	647.5	163.4	361.7	—	—	947.4	1009.2	398.3	1	10	1	6	2	0	1	6	2	0	8.9	
	Welkom	12,250,000 (5/-)	6	406.8	421.6	225.4	219.3	—	—	632.2	640.9	92.1	1	1	3	3	4	3	6	5.1	—	—	—	
W. Holdings	7,496,376 (5/-)	6	5600.3	4618.9	—	—	3168.5	2591.2	2431.8	2027.7	700.3	6	6	5	0	4	0	5	6	4	6	8.5		
W. Reefs	7,000,000 (5/-)	3	407.7	364.5	Dr. 13.3	319.0	185.9	350.0	208.5	284.5	226.0	7	1	3	1	3	1	3	1	3	1	10.5		
Central Mining	Blyvoor	24,000,000 (2/6)	9	5962.0	5693.9	941.7	895.2	3907.9	3854.9	3148.7	3028.3	1015.5	2	7	1	1	1	2	1	3	1	4	9.8	
	City Deep	2,026,832 (£1)	3	13.6	17.2	—	—	0.1	0.1	22.0	24.4	33.4	2	7	7	7	7	8	4	10.0	—	—	—	
	Cons. M.R.	1,247,602 (£1)	9	31.1	63.1	—	—	7.5	6.8	66.6	112.5	—	1	1	6	1	3	1	6	1	6	22.2		
	Crown	1,886,125 (10/-)	3	4.7	29.8	—	—	5.8	13.4	16.1	29.0	—	2	1	9	2	0	2	0	2	0	19.5		
	Durban Deep	2,325,000 (10/-)	3	147.9	150.3	—	—	4.1	23.0	156.6	137.7	68.4	1	4	1	6	1	6	1	6	1	6	12.2	
	E. Rand Prop.	3,960,000 (10/-)	3	177.7	281.7	—	—	0.2	3.0	158.8	279.8	125.9	10	1	9	1	9	1	9	1	6	11.8		
	Harmony	18,000,000 (5/-)	9	2950.0	2266.3	1766.2	1451.8	—	—	4699.5	3678.9	1147.6	5	3	1	3	1	3	1	4	1	4.8	12.2	
	Modder E.	930,805 (£1)	9	6.0	7.2	—	—	Cr. 0.6	5.0	23.6	23.5	—	6	6	6	6	6	6	10.5	—	—	—	—	
	Rose Deep	700,000 (3d.)	3	4.1	3.2	—	—	0.6	0.4	4.8	4.2	—	2	3	0*	—	3	3*	1	0	17.4	—		
	Transvaal G.M.E.	952,500 (3d.)	3	5.4	3.8	—	—	—	—	1.7	0.6	1.6	—	1	0	—	—	—	—	—	—	—	—	
J.C.L.	E. Champ d'Or	2,079,000 (2/6)	3	15.5	21.1	(a)	(a)	5.2	8.4	10.8	13.4	0.9	1	3	3	3	3	3	26.7	—	—	—	—	
	Freddies Cons.	16,359,913 (£1)	3	15.2	L39.0	(a)	(a)	—	—	2.8	L50.9	1.6	—	—	—	—	—	—	—	—	—	—	—	
	Govt. G.M.A.	5,600,000 (3d.)	3	L24.7	3.8	—	—	7.5	13.8	34.8	59.2	—	1	6*	9*	1	0*	3*	—	—	—	—	—	
	Randfontein	4,063,553 (£1)	3	122.6	339.4	(a)	(a)	165.0	157.0	257.3	182.4	13.8	1	3	1	9	2	3	1	3	1	9	16.0	
Union Corporation	E. Geduld	9,000,000 (4/-)	3	665.7	772.6	—	—	355.6	408.5	326.9	377.5	—	9	1	9	1	11	1	8	1	10	20.7		
	Geduld Prop.	1,460,857 (£1)	3	68.4	82.6	—	—	26.6	33.0	48.9	55.9	—	8	4	9	5	0	3	4	3	7	16.3		
	Grootvlei	11,438,816 (5/-)	3	649.9	695.1	—	—	336.2	360.2	331.6	345.5	—	7	1	1	5	1	1	1	5	14.2			
	Marievale	4,500,000 (10/-)	3	364.9	374.1	—	—	180.2	192.7	192.0	184.1	—	10	1	4	1	7	1	6	1	11	14.5		
	St. Helena	9,625,000 (10/-)	3	1190.9	930.4	—	—	619.4	—	579.3	920.2	55.2	1	2	1	9	2	3	2	9	2	3.6	9.0	
	Van Dyk	5,532,000 (3d.)	3	18.3	33.7	—	—	3.5	8.0	19.4	30.6	—	1	1	3*	—	1	6*	—	—	—	—	—	
	Winkelhaak	12,000,000 (10/-)	3	518.1	319.5	—	—	—	—	513.4	309.3	219.7	10	—	—	—	4	6	4.1	—	—	—	—	
General Mining	Buffelsfontein	11,000,000 (10/-)	9	3098.9	2582.9	1442.2	1487.9	—	—	4541.1	4070.8	2160.3	8	3	1	6	1	9	1	10	1	9	10.1	
	Ellaton	787,500 (5/-)	9	190.4	238.0	89.9	143.0	—	—	280.3	381.0	Cr. 0.8	7	1	—	—	—	—	—	—	—	—	—	
	Stillfontein	13,062,920 (5/-)	3	1277.0	1048.4	56.3	171.0	410.8	412.0	922.5	807.4	612.3	1	5	1	10	1	7	1	6	1	6	10.2	
	S. Roodpoort	1,420,662 (10/-)	9	202.9	199.1	—	—	83.0	82.0	125.1	128.5	3.0	1	9	1	1	1	1	1	1	1	1	12.8	
	W. Rand Cons.	4,250,000 (10/-)	3	495.4	558.3	(a)	(a)	233.5	278.0	275.7	307.6	—	1	0	2	0	2	3	2	0	2	3	24.3	
Anglo-T'v'val	Hartebeestfontein	9,000,000 (10/-)	9	2872.0	2572.6	1672.6	2094.9	1625.0	1785.0	3009.6	2967.5	1693.4	6	8	3	6	3	0	3	0	2	6	12.1	
	Lorraine	15,363,345 (10/-)	6	L57.9	L134.0	129.8	140.0	—	—	77.9	10.7	630.4	—	—	—	—	—	—	—	—	—	—	—	
	Rand Leases	3,600,000 (3d.)	9	9.8	186.2	—	—	6.0	6.5	29.0	209.0	55.3	2	—	—	1	0*	6*	6*	—	—	—	—	
	Village M.R.	6,068,457 (1/3)	9	L31.4	4.6	—	—	—	—	L18.0	7.2	26.8	—	—	—	—	—	—	—	—	—	—	—	
	Virginia	13,278,952 (5/-)	3	L135.8	14.9	149.7	311.3	—	—	91.3	284.4	128.0	2	—	—	—	—	—	—	—	—	—	—	
Others	N. Klein	1,735,000 (£1)	3	9.7	3.3	—	—	—	—	9.7	3.3	—	—	—	—	—	—	—	—	—	—	—	—	
	Spaarwater	7,974,967 (5/-)	3	1.3	1.6	—	—	—	—	1.3	1.6	—	—	—	—	—	—	—	—	—	—	—	—	
	Wit Nigel	7,974,720 (2/6)	9	38.4	40.8	—	—	—	—	45.7	47.3	2.8	1	—	—	1	—	—	—	—	1	—	12.5	

(a) Included under working profit.

(b) And deferred shares.

(c) Adjusted for scrip issue.

\* Capital Repayment.

## DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to March 31, 1961 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS						MILL THROUGHPUT													
						Payability						Tonnage		Gold Recovered						Working Profit					
			Tons (000)	Value (dwt.)	Inch dwt.	Fr. Sampled (000)		%		Av. Value (In.-dwt.)		Milled (000)		Cost per Ton		Ounces (000)		Grade (dwt.perton)		Cost per ounce		Per ton		Per oz.	
						This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last
Gold Fields	D'nfontein	9	3,004	7-6	313	15-7	23-3	92	92	578	490	965	850	59/5	61/8	398-8	345-8	8-3	8-1	143/10	151/6	44/9	40/3	108/2	98/11
	Libanon	9	2,572	5-0	246	27-5	15-5	76	71	316	342	1,051	999	48/5	47/10	252-9	235-3	4-8	4-7	201/4	203/2	12/3	11/2	51/-	47/4
	Luipaards Vlei	9	1,363	4-5	176	6-6	8-0	61	55	255	256	607	628	N/A	42/7	106-7	110-5	3-5	3-5	N/A	241/11	N/A	1/6	N/A	8/8
	Rietfontein C.	3	101	5-7	321	1-6	1-3	41	28	449	319	36	48	65/3	57/3	9-7	12-6	5-4	5-3	242/1	217/11	2/6	8/8	9/1	33/-
	Robinson	3	360	5-2	282	1-2	0-3	63	48	325	212	124	139	57/8	54/-	28-9	28-4	4-6	4-1	248/4	264/5	8d.	L2/10	3/-	L14/-
	Simmer	3	362	4-5	196	1-8	5-6	42	27	249	274	209	234	45/9	47/7	38-0	40-9	3-6	3-5	251/8	272/4	L1d.	L3/9	L5d.	L21/7
	Sub Nigel	9	536	8-0	308	10-4	15-8	21	27	367	349	594	594	53/2	53/-	135-4	139-2	4-6	4-7	233/2	225/9	4/4	5/9	19/-	24/8
	Venterspost	9	2,190	6-3	346	20-7	32-8	59	49	423	450	1,088	1,117	58/6	54/3	308-2	283-1	5-7	5-1	206/7	214/-	13/-	9/3	45/10	36/8
	Viakfontein	3	1,698	7-9	327	7-6	8-2	39	47	452	399	154	153	56/8	55/8	56-8	54-7	7-4	7-1	154/3	155/9	35/8	33/10	97/-	94/7
	Vogels	3	1,379	4-8	201	6-6	8-1	25	25	318	275	243	260	50/3	48/8	51-9	55-6	4-3	4-3	235/2	227/9	3/8	5/-	17/4	23/3
W. Drie	9	3,319	15-7	661	14-7	14-3	90	91	628	808	1,170	970	69/7	73/11	1093-2	888-7	18-7	18-3	74/6	80/9	166/3	155/8	177/10	169/11	
Anglo American	Brakpan	3	1,340	4-9	274	3-5	4-4	13	22	900	666	425	422	28/10	28/9	52-8	51-1	2-5	2-4	231/11	237/2	2/7	1/7	20/10	13/4
	Dagga	3	7,576	5-1	222	7-9	6-6	47	41	342	307	673	693	30/11	30/8	135-8	139-5	4-0	4-0	153/3	152/4	20/-	19/9	98/11	98/1
	E. Dagga	3	4,733	4-6	169	5-0	4-7	25	25	257	321	320	311	35/-	34/9	54-7	52-6	3-4	3-4	205/4	205/4	8/-	7/7	46/9	45/-
	F.S. Geduld	6	3,023	21-4	939	5-6	4-9	96	92	1,484	1,235	570	559	78/-	77/3	495-9	479-2	17-4	17-1	89/10	90/2	142/-	137/4	164/4	160/3
	P. Brand	6	4,174	18-0	972	4-3	4-5	85	88	814	996	712	681	62/4	61/3	564-1	562-8	15-9	16-4	78/8	74/9	138/3	143/11	174/6	175/9
	P. Steyn	6	5,177	8-0	367	5-2	7-7	92	84	402	429	638	604	62/6	62/5	238-5	237-5	7-5	7-9	167/11	158/10	32/2	36/-	86/-	91/6
	S.A. Lands	3	3,344	6-1	273	6-7	7-5	41	34	374	410	310	284	41/8	43/3	63-4	59-0	4-1	4-2	204/7	207/8	9/8	8/10	47/5	42/5
	Springs	3	615	4-0	173	3-6	4-4	37	27	301	398	278	311	31/7	31/10	38-4	43-2	2-8	2-8	229/5	229/1	3/2	2/11	23/2	21/1
	Vaal Reefs	3	3,325	9-9	394	6-5	8-8	79	79	644	661	308	278	66/4	66/1	143-5	125-1	9-3	9-0	142/8	146/10	50/10	46/7	109/2	103/6
	Welkom	6	4,158	7-6	322	9-2	7-2	80	84	526	451	585	577	66/-	64/5	184-9	182-0	6-4	6-3	208/10	204/1	13/11	14/7	44/-	46/4
W. Holdings	6	5,180	16-8	786	7-4	8-3	81	85	1,196	993	956	853	55/11	56/8	654-0	561-9	13-7	13-2	81/9	86/1	117/2	108/4	171/3	164/5	
W. Reefs	3	6,060	6-6	326	7-4	10-7	60	60	607	650	429	400	54/1	52/3	124-4	112-5	5-8	5-6	186/6	186/-	19/-	18/2	65/6	64/10	
Central Mining	Blyvoor	9	6,103	14-0	602	11-8	13-1	79	78	599	572	1,203	1,148	64/7	64/11	780-6	752-3	13-0	13-1	99/6	99/-	99/1	99/2	152/8	151/4
	City Deep	3	3,151	5-9	236	2-8	4-6	12	48	415	346	338	331	51/3	51/10	69-9	69-9	4-1	4-2	248/2	245/6	10d.	1/1	3/11	4/11
	Cons. M.R.	9	4,410	7-5	297	1-3	5-8	28	12	394	381	458	785	52/2	46/3	97-2	150-0	4-2	3-8	245/9	241/11	1/4	1/7	6/5	8/5
	Crown	3	4,342	5-2	238	6-3	6-4	15	28	389	309	559	615	43/6	40/6	97-0	101-8	3-5	3-3	251/-	244/7	2d.	1/-	1/-	5/10
	Durban Deep	3	7,794	4-1	235	7-7	12-1	48	48	350	336	562	571	41/-	40/6	103-3	104-2	3-7	3-7	223/4	221/11	5/3	5/3	28/7	28/10
	E. Rand Prop.	3	5,451	5-9	293	4-0	2-5	33	48	435	508	695	652	50/5	55/6	153-4	166-9	4-4	5-1	228/6	216/11	5/1	8/8	23/2	33/9
	Harmony	9	5,030	8-5	433	6-6	11-1	89	72	514	502	1,540	1,284	63/11	64/6	624-0	511-8	8-1	7-9	157/8	161/11	38/4	35/4	94/6	88/7
	Modder E.	9	408	3-9	158	0-8	2-6	38	31	265	186	865	1,221	25/10	24/4	88-7	119-3	2-1	2-0	251/8	249/3	6d.	1d.	1/4	1/2
	Rose Deep	3	132	6-8	303	0-0	0-0	—	—	—	—	69	80	44/4	40/7	12-5	13-2	3-6	3-3	245/4	245/9	1/2	10d.	6/8	4/10
T'vaal G.M.E.	3	102	12-5	—	0-9	1-3	—	8	—	275	20	21	90/2	71/4	5-4	5-9	5-5	5-6	329/5	255/5	5/6	3/8	20/1	13/-	
J.C.L.	E. Ch'p d'Or	3	84	0-8	23	0-8	1-8	42	23	35	40	36	36	52/-	52/5	0-9	0-9	0-5	0-5	—	—	10/9	13/11	—	—
	Freddies Cons.	3	800	5-3	212	1-0	1-0	51	46	373	333	184	173	64/6	73/7	39-6	39-4	4-3	4-6	299/5	322/11	L8/11	L15/2	L41/3	L66/6
	Govt. G.M.A.	3	152	6-2	446	0-0	0-0	—	—	—	—	138	159	56/3	52/3	23-3	26-7	3-4	3-4	333/10	311/-	L3/7	6d.	L21/3	2/10
	Randfontein	3	100	4-9	230	0-0	0-4	—	72	—	342	51	67	46/2	45/4	9-4	12-7	3-7	3-8	—	—	1/-	2/9	—	—
Union Corporation	E. Geduld	3	6,100	5-8	313	1-4	0-0	52	—	180	—	380	401	37/1	35/3	108-9	118-1	5-7	5-9	129/4	119/7	35/-	38/6	122/3	130/10
	Geduld Prop.	3	350	3-7	211	0-8	0-9	20	33	245	411	235	222	34/5	38/5	37-4	40-6	3-2	3-7	216/4	210/1	5/10	7/5	36/7	40/8
	Grootvlei	3	11,500	4-4	216	5-6	5-0	52	55	256	261	640	645	31/10	30/9	132-5	134-7	4-1	4-2	153/11	147/2	20/4	21/7	98/1	103/2
	Marievale	3	5,500	5-1	240	3-2	4-3	34	44	240	221	290	297	36/-	36/1	70-4	72-7	4-8	4-9	148/5	147/5	25/2	25/2	103/9	102/11
	St. Helena	3	5,000	8-0	448	1-9	3-9	55	49	654	729	530	460	43/4	43/-	185-9	153-3	7-0	6-7	123/7	129/-	44/11	40/6	128/1	121/4
	Van Dyk	3	225	3-9	195	0-4	2-4	45	41	316	293	216	215	38/6	39/8	34-4	36-7	3-2	3-4	241/6	232/2	1/8	3/2	10/8	18/4
	Winkelhaak	3	2,700	7-2	432	7-0	6-3	71	89	486	575	279	242	48/10	50/8	95-1	74-3	6-8	6-1	143/2	164/10	37/1	26/5	109/-	85/11
General Mining	Buffelsfontein	9	4,275	9-3	543	19-4	15-8	94	88	629	609	1,329	1,285	59/2	56/7	556-4	496-4	8-3	7-7	141/3	146/5	46/7	40/2	111/5	104/1
	Ellaton	9	153	8-3	349	1-1	1-0	59	50	480	413	240	266	43/7	40/6	56-6	62-0	4-7	4-7	184/7	173/8	15/10	17/11	67/3	76/9
	Silfontein	3	5,245	9-7	396	7-6	6-1	77	74	420	381	517	454	65/3	66/8	235-2	204-4	9-1	9-0	143/7	148/2	49/5	46/2	108/7	102/7
	S. Roodepoort	9	1,105	4-7	221	7-1	7-7	42	45	261	248	266	269	46/-	45/-	64-1	64-1	4-8	4-8	191/-	188/8	15/3	14/10	63/4	62/1
	W. Rand Cons.	3	4,579	3-4	166	6-4	4-2	74	71	322	287	391	373	36/7	36/11	57-2	58-3	2-9	3-1	—	—	1/9	1d.	—	—
	Anglo-T'vaal	Harthebeest	9	3,048	8-9	337	36-4	28-1	83	85	413	400	1,114	877	65/7	66/2	517-5	437-1	9-3	10-0	141/1	132/9	51/7	58/8	110/9
Lorraine		6	1,234	6-9	313	6-0	7-5	68	44	811	518	490	458	62/3	57/6	116-0	94-5	4-7	4-1	262/11	278/8	L2/4	L5/10	L10/-	L28/4
Rand Le																									



# GOLD FIELDS GROUP COMPANIES

49 MOORGATE, LONDON, E.C.2.

## Extracts from Directors' Reports of Gold Mining Companies for the Quarter ended 31st March, 1961

(All Companies mentioned are incorporated in the Union of South Africa, with the exception of The Luipaards Vlei Estate and Gold Mining Co., Ltd., and Dominion Reefs (Klerksdorp) Ltd., which are incorporated in England.)

The South African decimal currency system became effective on 14th February 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. Monetary figures in these extracts are given in Rand and cents with the equivalent sterling shown in the adjacent column at an exchange rate of R2 equals £1 sterling.

NOTES.—The development returns of the following Mining Companies show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied. Copies of the reports may be obtained from the London Secretaries, 49, Moorgate, E.C.2.

### WEST WITWATERSRAND AREAS LIMITED.

The total footage drilled during the quarter amounted to 6,654 feet. The borehole situation at the end of March, 1961, is set out in the following tabulation:

Borehole No.	Farm	Depth in feet at 31st March, 1961	Advance during Quarter (feet)	Geological Divisions Traversed	Rock Types Encountered
21	Rietfontein No. 349	9,532	634	Upper Witwatersrand System	Quartzites, conglomerates and intrusives
21 1st Defl.	Rietfontein No. 349	8,880	64	Upper Witwatersrand System	Quartzites, conglomerates and intrusive
21 2nd Defl.	Rietfontein No. 349	8,802	4	Upper Witwatersrand System	Quartzites
22	Doornkloof No. 350	9,137	1,595	Upper Witwatersrand System	Quartzites, conglomerates and intrusive
23	Elandsfontein No. 346	344	344	Pretoria Series	Soil, quartzites, shales and intrusives
25	Doornkloof No. 350	494	494	Pretoria Series	Shales and intrusive
E.8K	Kleinfontein No. 141	1,624	908	Dolomite Series	Dolomitic limestones and chert
E.8L	Kleinfontein No. 141	6,180	1,877	Upper Witwatersrand System	Quartzites, grits, conglomerates and shales
E.10E	Gerhardminnebron No. 139	6,596	734	Lower Witwatersrand System	Quartzites, shales and intrusives

Further details are as follows:

**BOREHOLE No. 21**—This borehole continued to 9,143 feet in the intrusive within which drilling was in progress at the end of the previous quarter, and below that, to 9,217 feet, passed through argillaceous quartzites representing the lower portion of the Kimberley Shale horizon. From 9,217 feet to its final depth of 9,532 feet it traversed coarse grained quartzites of the Main Bird Series including coarse conglomerates with sporadic low values belonging to the Bird Reef Group between 9,264 and 9,309 feet, and two further intrusives between 9,309 and 9,379 feet and between 9,403 and 9,439 feet.

This succession confirms as Kimberley Reefs the reefs which were intersected at 8,837 and 8,849 feet during the previous quarter and which showed appreciable gold content in spite of severe core loss through grinding.

**BOREHOLE No. 21 (1st Deflection)**—In order to obtain a second intersection of the Kimberley Reef zone, a directional deflection was carried out at 8,816 feet and drilled to 8,880 feet. The intrusive occurring below the reefs was re-intersected at 8,878 feet, and above the intrusive the hole passed through a succession of reefs similar to that encountered in the original borehole, but the core recovery was only slightly better than in the original hole. The core has not been assayed yet and is being kept to control a second deflection for these reefs. The cores from both deflections will be assayed when the second deflection has been completed.

**BOREHOLE No. 21 (2nd Deflection)**—The second deflection was carried out at 8,798 feet in a direction opposite to the first, and at the end of the quarter had reached a depth of 8,802 feet in quartzite above the reef zone.

**BOREHOLE No. 22**—This borehole continued to 7,622 feet in the intrusive within which drilling was in progress at the end of the previous quarter. Between 7,622 and 8,017 feet it passed through fine-grained and argillaceous quartzites representing the Kimberley Shale and its associated quartzites, and below 8,017 feet it traversed coarse grained Main Bird quartzites including, between 8,093 and 8,235 feet, the Bird Reef Group within which sporadic low gold values were disclosed. Drilling is being continued to the Main Reef Group.

**BOREHOLE No. 23**—This new borehole, located about 7,500 feet north-east of Borehole No. 21, was commenced on the 26th January, 1961.

**BOREHOLE No. 25**—This new borehole, located about 5,500 feet south-east of Borehole No. 22, was commenced on the 28th January, 1961.

**BOREHOLE No. E.8K**—The initial troubles in this borehole were overcome and the borehole was advanced to a depth of 1,624 feet in the Dolomite Series.

**BOREHOLE No. E.8L**—This borehole continued to 4,953 feet in coarse-grained quartzites containing minor conglomerate bands with negligible gold content. Between 4,953 and 5,863 feet it passed through fine-grained and argillaceous quartzites and shales which represent the Kimberley Shale and its associated quartzites, which confirm the conglomerates above 4,953 feet as Kimberley Reefs. Below 5,863 feet the borehole traversed coarse-grained Main Bird quartzites with minor conglomerate bands.

**BOREHOLE No. E.10E**—This borehole continued throughout the quarter in a succession of broken Lower Witwatersrand quartzites, shales and intrusives, and has not yet intersected the Jeppetown Amygdaloid.

### FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED.

**OPERATIONS**—After trial milling during the three months ended 31st December, 1960, normal milling operations commenced on 1st January, 1961.

Tons milled	153,500
Total yield ounces fine	37,189
Yield per ton milled (dwt.)	4.845

Working Revenue per ton milled	R6.08	60s. 9d.
Working Expenditure per ton milled	R6.73	67s. 3d.

Working Loss per ton milled	R0.65	6s. 6d.
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Working Revenue	R932,727	£466,364
Working Expenditure	R1,031,880	£515,940

Working Loss	R99,153	£49,576
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Capital Expenditure	R194,329	£97,165
Taxation	R Nil	£ Nil

### DEVELOPMENT

Footage advanced	11,474	Basal Reef
Footage sampled	5,305	

Payable:		
Footage	3,605	
Per Cent.	68.0	
Slope Width (in.)	50.6	
Inch-dwt.	314	

**REDEMPTION OF CONVERTIBLE NOTES**—Noteholders are reminded that in terms of the conditions governing the issue of the 6½% Registered Unsecured Convertible Notes, 1965, any Notes not converted or surrendered for conversion into shares by 30th June, 1961, will be redeemed in whole or in part, in cash at par (together with interest to date of redemption) by the Company at any time during the period ending 30th June, 1965.

### ROBINSON DEEP LIMITED.

#### OPERATIONS

Tons milled.....	124,500
Total yield ounces fine.....	28,880
Yield per ton milled (dwt.).....	4.639
	25.82

Working Profit per ton milled	R0.07	0s. 8d.
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Working Revenue	R726,344	£363,172
Working Expenditure	R717,810	£358,905

Working Profit	R8,534	£4,267
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Capital Expenditure	R Nil	£ Nil
Taxation	R Nil	£ Nil

**SALES OF PROPERTY**—During the quarter the Company concluded three sales of freehold ground, being portions aggregating approximately 198 morgen of the farms Turfontein Nos. 96 I.R. and 100 I.R. and Booyens Estate No. 98 I.R., for R278,000. Two of these sales are on extended terms and the other is subject to certain restrictive conditions.

**TRIBUTING AGREEMENT WITH VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED**—No revenue has as yet accrued to this Company from the work being carried out, on a royalty basis, by Village Main Reef Gold Mining Company (1934) Limited in the area above 10 Level in the Turf Section.

	Total Development
Footage Advanced	1,676
Footage Sampled	1,205

Payable:		
Footage	760	
Per Cent.	63.1	
Slope Width (in.)	48.5	
Inch-dwt.	325	

Mining operations during February and March were adversely affected by a loss of slope face caused by a severe pressure burst.

### RIETFONTAIN CONSOLIDATED MINES LTD.

#### OPERATIONS

OPERATIONS	
Tons milled.....	36,000
Total yield ounces fine .....	9,700
Yield per ton milled (dwt.) .....	5.389
Working Revenue per ton milled .....	R6.77
Working Expenditure per ton milled .....	R6.52
	67s. 9d.
	65s. 3d.

Working Profit per ton milled	R0.25	2s. 6d.
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Working Revenue	R243,753	£121,877
Working Expenditure	R234,878	£117,439

Working Profit	R8,875	£4,438
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Capital Expenditure	R Nil	£ Nil
Taxation	R284	£142

Footage Advanced	3,861	Total Development
Footage Sampled	1,630	

Payable:		
Footage	675	
Per Cent.	41.4	
Slope Width (in.)	46.3	
Inch-dwt.	449	



**DOMINION REEFS (KLERKSDORP) LIMITED.****PRODUCTION**

Tons from slimes dam	67,400	
Tons from mine	57,600	
Total tons treated in leaching plant	125,000	
Total yield uranium oxide (lb.)	152,642	
Yield per ton treated uranium oxide (lb.)	1.221	
Uranium oxide sold (lb.)	133,000	
Revenue from uranium oxide sold	R1,046,231	£523,115
Working expenditure after deducting revenue from sales of gold R39,319 (£19,660)	R514,231	£257,115
<b>Working Profit</b>	<b>R532,000</b>	<b>£266,000</b>
Capital Expenditure	R833	£417
Uranium loan instalment	R159,688	£79,844
State's Share of Profit	R10,966	£5,483
Taxation	R226,767	£113,384

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This company has decided to discontinue mining operations as from 30th June, 1961, and thereafter to reclaim slime from the dam at an increased rate thus keeping the uranium plant operating at full capacity and keeping production costs at a lower level than at present. Of its allocation of quotas, this company will produce, for sale at a fixed price of R7.8664 per lb., f.o.b. Durban, 133 tons for the six months ending 30th June, 1961, and 105 tons per half year until the end of 1963. In addition the company has ceded, against payment by the cessionary of a royalty of R5.40 per lb., the right to produce the remainder of its allocation of quotas, i.e. 27 tons in the second half of 1961, 55 tons in each of the years 1962 and 1963, 267 tons in 1964 and 270 tons in 1965. It is expected that the royalty receipts will be taxed at ordinary company rates.

**DEVELOPMENT**

Footage Advanced	1,043	
Footage Sampled	1,470	
Payable:		
Footage	1,260	
Per Cent.	85.7	
Stope Width (in.)	36.0	
Inch-lb.—Uranium Oxide	60.1	

Development operations ceased on the 31st January, 1961.

**WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED.****PRODUCTION**

<b>Gold</b>		
Tons milled	390,000	
Total yield ounces fine	364,772	
Yield per ton milled (dwt.)	18.706	
Working Revenue per ton milled	R23.56	235s. 7d.
Working Expenditure per ton milled	R7.20	72s. 0d.
<b>Working Profit per ton milled</b>	<b>R16.36</b>	<b>163s. 7d.</b>
Working Revenue	R9,187,527	£4,593,764
Working Expenditure	R2,806,590	£1,403,295
<b>Working Profit</b>	<b>R6,380,937</b>	<b>£3,190,469</b>
<b>Uranium Oxide</b>		
Tons treated in leaching plant	137,500	
Total yield uranium oxide (lb.)	48,513	
Yield per ton treated uranium oxide (lb.)	0.353	
Uranium oxide sold (lb.)	44,850	
Revenue from uranium oxide sold	R406,095	£203,048
Service fee received from Doornfontein Gold Mining Limited	R51,124	£25,562
Treatment Costs	R159,219	£79,610
<b>Profit</b>	<b>R298,000</b>	<b>£149,000</b>
<b>Total Working Profit</b>	<b>R6,678,937</b>	<b>£3,339,469</b>
Capital Expenditure	R1,925,738	£962,869
Uranium Loan Instalment	R151,200	£75,600
State's Share of Profit	R829,950	£414,975
Taxation	R2,195,967	£1,097,984

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. Through the medium of the West Driefontein Joint Uranium Plant this company has been allocated, for sale at a fixed price of R9.0545 per lb., f.o.b. Durban, quotas of 89.05 tons per calendar year until the end of 1963, 89.70 tons in 1964 and 1965 and 70.20 tons which will be delivered by the end of the September quarter 1966. Deliveries for the current calendar year will be 44.85 tons for the six months ending 30th June, 1961 and 44.20 tons for the six months ending 31st December, 1961.

**DEVELOPMENT**

Footage Advanced	3,120	2,360
Footage Sampled	9,183	9,107
Payable:		
Footage	3,120	2,360
Per Cent.	99.5	87.7
Stope Width (in.)	42.2	46.9
Inch-dwt.—Gold	68.0	50.2
Inch-lb.—Uranium Oxide	16.0	

In addition, 732 feet were advanced during the quarter in the area held under prospecting permit.

**NO. 4 SHAFT**—During the quarter this shaft was sunk a distance of 600 feet to a total depth of 4,321 feet below collar. In addition stations to serve 12 Level and the pump station 280 feet below 12 Level were excavated.

**LIBANON GOLD MINING COMPANY LTD.****OPERATIONS**

Tons milled	351,000	
Total yield ounces fine	85,207	
Yield per ton milled (dwt.)	4.855	
Working Revenue per ton milled	R6.11	61s. 2d.
Working Expenditure per ton milled	R4.83	48s. 4d.
<b>Working Profit per ton milled</b>	<b>R1.28</b>	<b>12s. 10d.</b>
Working Revenue	R2,145,498	£1,072,749
Working Expenditure	R1,695,823	£847,911
<b>Working Profit</b>	<b>R449,675</b>	<b>£224,838</b>
Capital Expenditure	R283,329	£141,665
Taxation	R Nil	£ Nil

**DEVELOPMENT**

Footage sampled	5,725	
Payable:		
Footage	4,155	2,315
Per Cent.	72.6	89.9
Stope Width (in.)	53.1	44.0
Inch-dwt.	297	374
<b>Total Development</b>	<b>19,777</b>	<b>8,300</b>
Footage Advanced		
Footage Sampled		
Payable:		
Footage	6,470	
Per Cent.	78.0	
Stope Width (in.)	49.8	
Inch-dwt.	324	

**HARVE-WATT SHAFT**—During the quarter the shaft was equipped to a depth of 2,625 feet below collar.

**DOORNFONTEIN GOLD MINING COMPANY LIMITED.****PRODUCTION**

<b>Gold</b>		
Tons milled	335,000	
Total yield ounces fine	139,650	
Yield per ton milled (dwt.)	8.337	
Working Revenue per ton milled	R10.48	104s. 9d.
Working Expenditure per ton milled	R5.82	58s. 1d.
<b>Working Profit per ton milled</b>	<b>R4.66</b>	<b>46s. 8d.</b>
Working Revenue	R3,510,131	£1,755,066
Working Expenditure	R1,947,425	£973,713
<b>Working Profit</b>	<b>R1,562,706</b>	<b>£781,353</b>
<b>Uranium Oxide</b>		
Tons treated in leaching plant	81,000	
Total yield uranium oxide (lb.)	24,933	
Yield per ton treated uranium oxide (lb.)	0.308	
Uranium oxide sold (lb.)	24,150	
Revenue from uranium oxide sold	R230,742	£115,371
Treatment costs	R92,618	£46,309
Service fee paid to West Driefontein Gold Mining Company Limited	R51,124	£25,562
<b>Profit</b>	<b>R87,000</b>	<b>£43,500</b>
<b>Total Working Profit</b>	<b>R1,649,706</b>	<b>£824,853</b>
Capital Expenditure	R1,074,485	£537,243
Uranium Loan Instalment	R19,800	£9,900
State's Share of Profit	R Nil	£ Nil
Taxation	R253,475	£126,738

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. Through the medium of the Joint Uranium Plant operated by West Driefontein Gold Mining Company Limited this company has been allocated, for sale at a fixed price of R9.5545 per lb., f.o.b. Durban, quotas of 47.95 tons per calendar year until the end of 1963, 48.30 tons in 1964 and 1965 and 37.80 tons which will be delivered by the end of the September quarter 1966. Deliveries for current calendar year will be 24.15 tons for the six months ending 30th June, 1961 and 23.80 tons for the six months ending 31st December, 1961.

**DEVELOPMENT**

Footage Advanced	17,589	
Footage Sampled	5,955	
Payable:		
Footage	5,370	
Per Cent.	90.2	
Stope Width (in.)	41.0	
Inch-dwt.—Gold	586	
Inch-lb.—Uranium Oxide	8.6	

**No. 2 SHAFT**—During the quarter work continued on the excavations for the shaft collar and the erection of the headgear was commenced. At the end of the quarter the shaft had been sunk 55 feet to a depth of 92 feet below collar.

**DIAMOND DRILLING FROM 15 LEVEL FOOTWALL DRIVE WEST**—Two boreholes were drilled from 15 Level footwall drive west to explore the area plan attached to the last Annual Report.

The first borehole intersected the Carbon Leader at a point 8,800 feet west of a north-south line through No. 1 Shaft and 70 feet north of the line of the footwall drive. The reef was intersected approximately 100 feet below 15 Level horizon and sampling results averaged 30.2 dwt. per ton over a borehole reef width of 15.0 inches equivalent to 453 inch-dwt.

The second borehole intersected the Carbon Leader at a point 10,150 feet west of a north-south line through No. 1 Shaft and 1,500 feet north-west of the site of No. 2 Shaft. The reef was intersected approximately 250 feet below 15 Level horizon and sampling results averaged 6.2 dwt. per ton over a borehole reef width of 8.0 inches, equivalent to 50 inch-dwt. In this case there was some loss of core due to grinding.

### THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED.

#### PRODUCTION

<b>Main Reef Section</b>		
Tons milled	202,000	
Total yield ounces fine	35,477	
Yield per ton milled (dwt.)	3.513	
<b>Bird Reef Section</b>		
Tons milled for gold and treated in leaching plant	136,000	
Total yield gold ounces fine	4,407	
Total yield uranium oxide (lb.)	210,979	
Yield per ton treated uranium oxide (lb.)	1.551	
Uranium oxide sold (lb.)	189,000	
<b>Both Sections</b>		
Revenue from gold	R1,003,731	£501,866
Revenue from uranium oxide sold	R1,470,515	£735,257
	R2,474,246	£1,237,123
Working expenditure	R1,825,386	£912,693
<b>Total Working Profit</b>	<b>R648,860</b>	<b>£324,430</b>
Capital Expenditure	Cr. R4,304	£2,152
Uranium Loan Instalment	R177,000	£88,500
Taxation	R276,747	£138,374

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This company has been allocated, for sale at a fixed price of R7.7805 per lb. f.o.b. Durban, quotas of 378 tons per calendar year until the end of 1963, 381 tons in 1964 and 188 tons which will be delivered in the first half of 1965. Deliveries for the current calendar year will be 189 tons for each of the six month periods ending 30th June and 31st December, 1961. As a result of the new arrangements, steps have been taken to modify the mining policy on the Bird Reef and hence to improve the working profit. The initial results of this change of policy are reflected in the increased total working profit for the quarter. It is expected that further improvements will take place.

#### DEVELOPMENT

	Total Main Reef Section (Gold)	Total Bird Reef Section (Uranium)
Footage Advanced	8,050	13,689
Footage Sampled	2,375	4,060
<b>Payable:</b>		
Footage	1,710	2,860
Per Cent.	72.0	70.4
Slope Width (in.)	41.1	37.3
Inch-dwt.	271	67
Inch-lb.—Uranium Oxide	—	101.5

### VENTERSPOST GOLD MINING COMPANY LIMITED.

#### OPERATIONS

Tons milled	356,000	
Total yield ounces fine	103,016	
Yield per ton milled (dwt.)	5.787	
Working Revenue per ton milled	R7.28	72s. 10d.
Working Expenditure per ton milled	R5.94	59s. 6d.
<b>Working Profit per ton milled</b>	<b>R1.34</b>	<b>13s. 4d.</b>
Working Revenue	R2,591,659	£1,295,830
Working Expenditure	R2,115,718	£1,057,859
<b>Working Profit</b>	<b>R475,941</b>	<b>£237,971</b>
Capital Expenditure	R43,480	£21,740
Taxation	R146,410	£73,205

#### DEVELOPMENT

	Reef	Contact Reef
Footage Sampled	4,640	1,495
Payable:		
Footage	2,470	770
Per Cent.	53.2	51.5
Slope Width (in.)	63.5	47.3
Inch-dwt.	406	511
	Total Development	
Footage Advanced		16,974
Footage Sampled		6,135
Payable:		
Footage		3,240
Per Cent.		52.8
Slope Width (in.)		59.7
Inch-dwt.		430

### VLAKFONTEIN GOLD MINING COMPANY LIMITED.

#### OPERATIONS

Tons milled	154,500	
Total yield ounces fine	56,786	
Yield per ton milled (dwt.)	7.351	
Working Revenue per ton milled	R9.24	92s. 4d.
Working Expenditure per ton milled	R5.68	56s. 8d.
<b>Working Profit per ton milled</b>	<b>R3.56</b>	<b>35s. 8d.</b>
Working Revenue	R1,427,026	£713,513
Working Expenditure	R876,269	£438,134

### VOGELSTRUISBULT GOLD MINING AREAS LIMITED.

#### PRODUCTION

<b>Gold</b>		
Tons milled	243,000	
Total yield ounces fine	51,926	
Yield per ton milled (dwt.)	4.274	
Working Revenue per ton milled	R5.39	53s. 11d.
Working Expenditure per ton milled	R5.02	50s. 3d.
<b>Working Profit per ton milled</b>	<b>R0.37</b>	<b>3s. 8d.</b>
Working Revenue	R1,310,898	£655,449
Working Expenditure	R1,220,950	£610,475
<b>Working Profit</b>	<b>R89,948</b>	<b>£44,974</b>
<b>Uranium Oxide</b>		
Tons treated in leaching plant	121,000	
Total yield uranium oxide (lb.)	54,090	
Yield per ton treated uranium oxide (lb.)	0.447	
Uranium oxide sold (lb.)	52,000	
Revenue from uranium oxide sold	R512,226	£256,113
Net Cost of uranium oxide sold after deducting revenue from pyrite sales R46,476 (£23,238)	R187,226	£93,613
<b>Profit on Sales</b>	<b>R325,000</b>	<b>£162,500</b>
<b>Total Working Profit</b>	<b>R414,948</b>	<b>£207,474</b>
Capital Expenditure	R4,677	£2,338
Uranium Loan Instalment	R144,000	£72,000
Taxation	R173,192	£86,596

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This Company has been allocated, for sale at a fixed price of R9.8505 per lb. f.o.b. Durban, quotas of 103 tons per calendar year until the end of 1963, 104 tons in 1964 and 26 tons which will be delivered in the March quarter 1965. Deliveries for the current calendar year will be 52 tons for the six months ending 30th June, 1961, and 51 tons for the six months ending 31st December, 1961.

#### DEVELOPMENT

DEVELOPMENT		
	Main Kimberley Reef	Reef
Footage Sampled .....	3,935	2,615
Payable:		
Footage .....	955	660
Per Cent. ....	24.3	25.2
Slope Width (in.) .....	42.6	46.3
Inch-dwt.—Gold .....	328	301
Inch-lb. —Uranium oxide .....	—	14.4
	Total Development	
Footage Advanced .....	9,366	
Footage Sampled .....	6,550	
Payable:		
Footage .....	1,615	1,115
Per Cent. ....	24.7	24.7
Slope Width (in.) .....	44.1	44.1
Inch-dwt.—Gold .....	318	318

### SIMMER AND JACK MINES LIMITED.

#### OPERATIONS

Tons milled	209,000	
Total yield ounces fine	38,024	
Yield per ton milled (dwt.)	3.639	
Working Revenue per ton milled	R4.57	45s. 8d.
Working Expenditure per ton milled	R4.58	45s. 9d.
Working Loss per ton milled	R0.01	0s. 1d.
Working Revenue	R954,854	£477,427
Working Expenditure	R956,431	£478,215
Working Loss	R1,577	£788
Capital Expenditure	Cr. R16,515	£8,257
Taxation	R Nil	£ Nil
	Total Development	
Footage Advanced	2,433	2,433
Footage Sampled		1,790
Payable :		
Footage		750
Per Cent.		41.9
Slope Width (in.)		41.5
Inch-dwt.		249

### THE SUB NIGEL LIMITED.

#### OPERATIONS

Tons milled .....	197,000	
Total yield ounces fine .....	44,782	
Yield per ton milled (dwt.) .....	4.546	
Working Revenue per ton milled .....	R5.72	57s. 2d.
Working Expenditure per ton milled .....	R5.36	53s. 6d.
Working Profit per ton milled .....	R0.36	3s. 8d.
Working Revenue .....	R1,126,865	£563,433
Working Expenditure .....	R1,055,239	£527,620
Working Profit .....	R71,626	£35,813

Capital Expenditure .....	R130	£65
Taxation .....	R1,463	£731
DEVELOPMENT		Main Reef
Footage Advanced .....		3,313
Footage Sampled .....		2,915
Payable:		
Footage .....		605
Per Cent. .....		20.8
Stope Width (in.) .....		38.9
Inch-dwt. .....		319
SPAARWATER TRIBUTE AREA—In addition 1,101 feet were advanced in this area during the quarter. Of the 1,005 feet sampled, 390 feet, equal to 38.8 per cent., proved payable averaging 241 inch-dwt. over an estimated stoping width of 40.8 inches.		

susceptible to boycott, and uranium, which is being sold under long term contract, between them earned some £340,000,000 in 1960. Beyond this, almost 60 per cent of all South Africa's other exports (£227,000,000 out of £394,000,000) are absorbed by six countries, namely Britain, the Central African Federation, Germany, Belgium, Japan and Italy in that order while the United States and France account for a further 10 per cent (£41,000,000). Of these countries, the first six are among the least likely to show any enthusiasm for a boycott, and together have only a small favourable balance of trade with South Africa, whereas the Union's terms of trade with the rest of the world favour the countries with whom she trades to the extent of about £101,000,000 per annum. Thus, while the possibility of boycotts cannot be discounted, South Africa's pattern of trade does not make her a very vulnerable target.

Moreover, as South Africa's native policies get under way, both inside and outside the Bantustans, and result in increased purchasing power among the Africans, this rising income is likely to be spent mainly on food and the products of light industry, thus creating a demand which the Union can largely supply for herself without strain to her balance of payments.

#### Vital Role of Gold Industry

Again, for technical mining reasons, there is good reason to think that any likely deterioration in the terms of trade, including the eventual running down of income from uranium, could, if necessary, be more than compensated by a substantial increase in revenue from gold even at its present price. This possibility is examined in greater detail in an article in this week's issue (page 473).

South Africa developed the habit of industrial self-sufficiency during World War II and today, for example, the mining industry's purchases, including both capital goods and consumable stores, are made as to between 80 and 90 per cent on the home market. Thus, so long as she can afford to go on buying essential capital goods from such countries as Britain and Germany, the process of industrialisation and growing self-reliance can continue. The crucial question is how rapidly will the Union's balance of payments position allow this process to proceed side by side with the Bantustan programme?

This, of course, depends not only on maintaining a favourable balance on current account but equally on arresting the capital outflow, which last year in the aggregate totalled nearly £97,000,000. Of this £74,000,000 was foreign owned, £40,000,000 being accounted for by the repatriation of foreign share holdings in South African companies.

However, it is not simply a question of standing still. South Africa's requirements of additional capital are going to be very large in the public sector, both for Bantu advancement and for State-owned undertakings such as Iscor, Sasol and Escom.

#### The Challenge to White South Africans

As we aimed to show in the previous issue of this Supplement, Dr. Verwoerd's racial policies, besides being beyond argument the Union's selected road to salvation, are by no means inherently unworkable given that they are implemented with the utmost energy and wholeheartedness. The doubt, which has yet to be resolved, is whether the individual sacrifice involved will be accepted.

The success with which the Union meets this challenge depends very largely upon two things—first upon the white South Africans' response to the government's call for sacrifice of accepted living standards and working habits, and secondly on the availability of capital. Of these the first is, of course, crucial but it must surely be assumed that no South African government would attempt what Dr. Verwoerd is setting out to do without the certainty that not only its own supporters but also the bulk of the European population are ready to accept the sacrifices which may be required.

As regards the availability of capital, this must in part be dependent upon the first premise and in part on the duration and the rate of outflow of private capital.

As the net repatriation of South African stocks over the last three years indicates, the "bearing" of South Africa is no new factor in the situation. At the same time in the past year it has been by far the most serious aspect of the situation and the Reserve Bank statistics for the period following the Commonwealth conference will therefore be of especial significance.

#### It's Easy to Discourage Foreign Selling

If, as we have already suggested, the political tap proves to have run dry, the South African institutional funds, which have been applied to absorbing these repatriated shareholdings (about £40,000,000 in 1960), will now become available for new capital investment. If, however, the tap has merely become clogged by present low prices, it becomes a matter of more than academic interest to the Union to consider how much pressure from rising market prices would be needed to blow it clear and how best to keep share prices from rising to that point.

We suggest in all seriousness that, if the capital outflow continues, investors in Kaffirs should be prepared for South Africa, either by instinct or design, to stop accommodating foreign sellers by providing an

ever-ready market. After all, if the foreign investor is at a point where he is in any case unwilling, on political considerations, to make new capital available for South Africa, the buoyancy of the South African stock market ceases for the time being to be a matter of primary national importance.

Certainly at the present time it is secondary to what must be the government's over-riding concern to make sufficient South African capital available either directly for investment in the development of Bantustans and the perimeter industries or indirectly by investment aimed at accelerating the output of gold.

Private and company income tax could doubtless be made to produce considerable extra revenue for investment in African advancement (withdrawal of existing tax discounts—10 per cent on private individuals and 3 per cent on companies—might come as a start), but with the slackness which already exists in the economy and the urgent need for increasing employment and earnings among the urban Africans, this is no time to discourage consumer spending.

On the other hand, not only would a greater hesitation by the South African institutions in buying up foreign held shares discourage the repatriation of foreign capital by keeping stock market prices down, but at the same time the need for higher taxation would be reduced by the extent to which institutional and private investment was thereby channelled into new domestic projects and away from the otherwise inevitable process of further investment of South African funds in what are already going concerns in no urgent need of capital.

In this context it is significant that the recent budget contained proposals for taxing the dividend income of insurance companies, to whom the government has also appealed to support this year's loan issues.

#### Why Sell at These Prices?

In such circumstances the foreign investor would seem to have nothing to gain from precipitate selling at politically depressed prices of shares paying steady or expanding dividends in undertakings which are intrinsically sound and, political risks apart, grossly undervalued. In this context it is perhaps necessary to emphasize that, even in the unlikely event of the South African government being constrained to impose additional restrictions on the outflow of capital, should things go badly, under no conceivable circumstances would such measures extend to a ban on the transfer abroad of dividend earnings.

Moreover, precisely because these shares may become artificially depressed in consequence of South African institutional buyers deliberately staying out of the market, it follows that further unfavourable political

(Continued on page 19)



# ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

## GOLD MINING COMPANIES' DIRECTORS' ABRIDGED REPORTS FOR THE QUARTER ENDED 31st MARCH, 1961

(All Companies mentioned are incorporated in the Union of South Africa)

### WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	429,000	401,500
Ounces fine	124,412	115,105
Yield per ton—dwt.	5.80	5.73
Cost per ton milled	R5.41	R5.44
	(54s. 1d.)	(54s. 5d.)
Profit per ton milled	R1.90	R1.84
	(19s. 0d.)	(18s. 5d.)
Uranium (Joint Production Scheme)		
Uranium oxide produced—lb.	369,585	—
Yield per ton treated—lb.	0.472	—
Estimated working profit of joint scheme (before charging royalties)	R1,672,901	—
	(£836,450)	
<b>FINANCIAL</b>		
Gold—working profit	R815,480	R739,404
	(£407,740)	(£369,702)
Uranium		
Share of Joint Scheme Working profit*	R585,665	R854,348
	(£292,832)	(£427,174)
Sulphuric Acid		
Working profit	R60,000	R98,426
	(£30,000)	(£49,213)
Total Working Profit from Gold, Uranium, and Sulphuric Acid	R1,461,145	R1,692,178
	(£730,572)	(£846,089)
Uranium—Royalties payable	R346,465	—
	(£173,232)	
Uranium Loans		
Repayments (including interest)	R338,364	R338,364
	(£169,182)	(£169,182)
Interest free loans receivable	R12,600	—
	(£6,300)	
Capital Expenditure	R451,861	R435,610
	(£225,930)	(£217,805)
Taxation and State's share of profits—estimated	R371,854	R822,184
	(£185,927)	(£411,092)

#### DEVELOPMENT

Mining Lease Area (including Goedgenoeg area)		
(a) Ventersdorp Contact and Elsburg Reefs:		
Footage driven	3,302	2,345
Feet sampled	1,640	745
Feet payable	870	385
Percentage payability	53.0	51.7
Average gold value—dwt. per ton	11.15	11.48
Average uranium oxide value—lb. per ton	0.27	0.34
Width—inches	44.18	39.26
Equivalent inch-dwt.	493	451
Equivalent inch-lb.	11.98	13.20
(b) Vaal Reef:		
Footage driven	9,742	10,163
Feet sampled	2,610	3,485
Feet payable	1,950	2,355
Percentage payability	74.7	67.6
Average gold value—dwt. per ton	70.30	67.08
Average uranium oxide value—lb. per ton	5.83	4.26
Width—inches	8.99	10.61
Equivalent inch-dwt.	632	712
Equivalent inch-lb.	52.37	45.22
Nooitgedacht Area (including the portion over which an application for a mining lease has been made)—Results of development on Ventersdorp Contact and Elsburg Reefs.		
Footage driven	7,783	9,655
Feet sampled	3,125	3,325
Feet payable	1,640	1,395
Percentage payability	52.5	42.0
Average gold value—dwt. per ton	13.36	10.67
Average uranium oxide value—lb. per ton	0.35	0.35
Width—inches	47.84	53.34
Equivalent inch-dwt.	639	569
Equivalent inch-lb.	16.88	18.44

No. 4 SHAFT  
The construction of the headgear has been completed and the erection of the main winder and winder house is in progress.

#### URANIUM

The uranium profits for 1960 resulted from the production of uranium by the company for its own account against its original sales contract which was due to terminate at the end of 1963. The proposals set out in the circular to members dated 9th February, 1961, whereby the production of augmented uranium quota entitlements will be stretched out until 1970 under a Western Reefs-Vaal Reefs Joint Scheme have been implemented with effect from 1st January, 1961.

In the company's monthly declaration for January, February and March, 1961, uranium profits have been shown after deduction of royalties payable. In this quarterly report, and in future monthly declarations, uranium profits will be shown before deduction of royalties.

### WESTERN HOLDINGS LIMITED

#### OPERATING RESULTS

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
Gold		
Tons milled	489,000	467,000
Ounces fine	336,159	317,809
Yield per ton—dwt.	13.75	13.61
Cost per ton milled	R5.58	R5.60
	(55s. 10d.)	(56s. 0d.)
Profit per ton milled	R11.74	R11.69
	(117s. 5d.)	(116s. 11d.)
Working profit	R5,743,271	R5,457,450
	(£2,871,635)	(£2,728,725)

#### FINANCIAL

Taxation and State's share of profits—estimated	R3,332,100	R3,005,000
	(£1,666,050)	(£1,502,500)
Capital expenditure	R580,085	R820,578
	(£290,042)	(£410,289)

#### DEVELOPMENT

Total footage driven	29,494	28,202
Feet sampled	3,160	4,165
Feet payable	2,435	3,620
Percentage payability	77.1	86.9
Average value—dwt. per ton	145.52	138.89
Width—inches	8.14	8.67
Equivalent inch-dwt.	1,185	1,204
<b>SHAFT SINKING</b>		
No. 1 Ventilation Shaft		
Footage sunk in quarter	1,727	1,706
Depth to date—feet	3,433	1,706

### DAGGAFONTEIN MINES, LIMITED

#### OPERATING RESULTS

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
Gold		
Tons milled	673,000	660,000
Ounces fine	135,828	133,721
Yield per ton—dwt.	4.04	4.05
Cost per ton milled	R3.09	R3.13
	(30s. 11d.)	(31s. 4d.)
Profit per ton milled	R2.00	R2.02
	(20s. 0d.)	(20s. 2d.)

Uranium		
Uranium oxide produced—lb.	125,033	136,737
Yield per ton treated—lb.	0.316	0.355

#### FINANCIAL

Gold—Working profit	R1,343,178	R1,328,848
	(£671,589)	(£664,424)
Uranium—Estimated working profit	R423,799	*R756,894
	(£211,899)	(£378,447)
Royalties receivable	R291,201	—
	(£145,600)	
Sulphuric Acid—Estimated working profit	R72,000	R92,314
	(£36,000)	(£46,157)
Total Profit from Gold, Uranium, Acid and Royalties	2,130,178	R2,178,056
	(£1,065,089)	(£1,089,028)
Uranium Loan Repayments (including interest)	R281,550	R281,552
	(£140,775)	(£140,776)
Taxation and State's share of profits—estimated	R1,247,536	R1,229,790
	(£623,768)	(£614,895)
Capital expenditure	R12,150	Cr. R6,758
	(£6,075)	(Cr. £3,379)

\* Based on the company's original quota entitlement.

#### DEVELOPMENT

<b>Main Reef Leader</b>		
Footage driven	3,541	4,518
Feet sampled	3,295	3,850
Feet payable	1,415	1,675
Percentage payability	42.9	43.5
Average gold value—dwt. per ton	18.56	19.55
Width—inches	12.72	19.16
Equivalent inch-dwt.	236	375
<b>Kimberley Reef</b>		
Footage driven	5,263	4,481
Feet sampled	4,585	4,080
Feet payable	2,325	1,545
Percentage payability	50.7	37.9
Average gold value—dwt. per ton	12.63	12.89
Average uranium oxide value—lb. per ton	0.96	1.15
Width—inches	32.20	29.56
Equivalent inch-dwt.	407	381
Equivalent inch-lb.	30.97	34.08

## WELKOM GOLD MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	291,000	294,000
Ounces fine	91,348	93,604
Yield per ton—dwt.	6.28	6.37
Cost per ton milled	R6.68	R6.52
	(66s. 10d.)	(65s. 2d.)
Profit per ton milled	R1.22	R1.56
	(12s. 2d.)	(15s. 7d.)
Working Profit	R354,201	R459,404
	(£177,100)	(£229,702)
Uranium		
Share of Joint Scheme Profit	R353,500	R345,600
	(£176,750)	(£172,800)
Total Profit from Gold and Uranium	R707,701	R805,004
	(£353,850)	(£402,502)

<b>FINANCIAL</b>		
Taxation and State's Share of Profit—estimated	—	—
Capital Expenditure—Gold and uranium, including contributions towards capital cost of Pres. Steyn uranium plant less recoupments	Cr.R40,641 (Cr.£20,320)	Cr.R33,140 (Cr.£16,570)
Interest charges (excluding interest on uranium loans)	R79,460 (£39,730)	R81,000 (£40,500)
Loan Repayments 5 per cent debentures	R341,000 (£170,500)	R9,658 (£4,829)
Uranium loans (comprising redemption and interest)	R255,290 (£127,645)	R255,290 (£127,645)

<b>DEVELOPMENT</b>		
Footage driven	21,918	20,789
Feet sampled	4,180	5,000
Feet payable	3,690	3,675
Percentage payability	88.3	73.5
Average value—dwt. per ton	112.91	88.91
Width—inches	5.04	5.45
Equivalent inch-dwt.	569	485

### URANIUM

In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review. The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

## WESTERN DEEP LEVELS LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>DEVELOPMENT</b>		
Footage driven	18,928	14,829
Feet sampled	2,610	960
Feet payable	1,950	605
Percentage payability	74.7	63.0
Average value—dwt. per ton	15.38	15.40
Width—inches	50.50	42.26
Equivalent inch-dwt.	777	651

### SHAFT SINKING

<b>No. 2 Shaft System</b>		
Ventilation shaft—footage sunk	66	26
Ventilation shaft—footage in stations, pump chambers, etc.	1,191	931
<b>No. 3 Shaft System</b>		
Ventilation shaft—footage sunk	434	240
Ventilation shaft—footage in stations, pump chambers, etc.	636	—
	Shaft depths at 31st Mar. 1961 feet	31st Dec. 1960 feet
No. 2 Shaft System		
Ventilation Shaft	6,077	5,433
No. 3 Shaft System		
Ventilation Shaft	6,564	6,324
<b>No. 2 SHAFT SYSTEM</b>		

In the No. 2 shaft system, 1,179 feet were advanced, all of which were off reef.

## EAST DAGGAFONTEIN MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	320,500	320,500
Ounces fine	54,690	54,632
Yield per ton—dwt.	3.41	3.41
Cost per ton milled	R3.50	R3.50
	(35s. 0d.)	(35s. 0d.)
Profit per ton milled	R0.80	R0.83
	(8s. 0d.)	(8s. 4d.)
Working profit	R255,812	R267,256
	(£127,906)	(£133,628)
<b>FINANCIAL</b>		
Taxation—estimated	R107,611	R114,524
	(£53,805)	(£57,262)
Capital expenditure	Cr.R2,819 (Cr.£1,409)	R6,424 (£3,212)

### DEVELOPMENT

<b>Main Reef Leader</b>		
Footage driven	2,080	2,283
Feet sampled	1,555	2,005
Feet payable	555	725
Percentage payability	35.7	36.2
Average value—dwt. per ton	13.44	10.99
Width—inches	19.07	20.87
Equivalent inch-dwt.	256	229
<b>Kimberley Reef</b>		
Footage driven	4,977	5,634
Feet sampled	3,475	3,330
Feet payable	695	585
Percentage payability	20.0	17.6
Average value—dwt. per ton	54.76	50.43
Width—inches	4.71	5.85
Equivalent inch-dwt.	258	295

## FREE STATE GEDULD MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	287,000	283,500
Ounces fine	250,541	245,442
Yield per ton—dwt.	17.46	17.32
Cost per ton milled	R7.79	R7.82
	(77s. 11d.)	(78s. 2d.)
Profit per ton milled	R14.21	R14.18
	(142s. 1d.)	(141s. 10d.)
Working profit	R4,078,049	R4,021,514
	(£2,039,024)	(£2,010,757)
<b>FINANCIAL</b>		
*Taxation	R745,000	—
	(£372,500)	

\* For the first time since the company's incorporation, provision has to be made for the payment of taxation on mining profits.

Capital expenditure	R697,929	R612,462
	(£348,964)	(£306,231)

### DEVELOPMENT

Total footage driven	27,709	27,229
Feet sampled	2,910	2,680
Feet payable	2,835	2,505
Percentage payability	97.4	98.5
Average value—dwt. per ton	313.66	269.65
Width—inches	5.27	4.81
Equivalent inch-dwt.	1,653	1,297

The results obtained in the areas of the individual shafts were:—

<b>No. 1 Shaft Area</b>		
Feet sampled	690	1,270
Feet payable	650	1,110
Percentage payability	94.2	87.4
Average value—dwt. per ton	259.24	179.84
Width—inches	5.52	5.01
Equivalent inch-dwt.	1,431	901
<b>No. 2 Shaft Area</b>		
Feet sampled	2,220	1,410
Feet payable	2,185	1,395
Percentage payability	98.4	98.9
Average value—dwt. per ton	330.58	345.92
Width—inches	5.20	4.66
Equivalent inch-dwt.	1,719	1,612
<b>SHAFT SINKING</b>		
<b>No. 4 Shaft</b>		
Footage sunk in quarter	200	
Depth to date—feet	200	

## SPRINGS MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	278,000	281,000
Ounces fine	38,374	38,515
Yield per ton—dwt.	2.76	2.74
Cost per ton milled	R3.16 (31s. 7d.)	R3.17 (31s. 8d.)
Profit per ton milled	R0.32 (3s. 2d.)	R0.32 (3s. 2d.)
Working profit	R88,744 (£44,372)	R89,258 (£44,629)
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	R23,131 (£11,565)	R31,100 (£15,550)
Capital recoupments	R7,137 (£3,568)	R20,720 (£10,360)
<b>DEVELOPMENT</b>		
Footage driven	4,256	4,801
Feet sampled	3,625	3,965
Feet payable	1,345	1,475
Percentage payability	37.1	37.2
Average value—dwt. per ton	12.24	18.67
Width—inches	24.62	21.86
Equivalent inch-dwt.	301	408

## BRAKPAN MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	425,000	434,000
Ounces fine	52,781	53,096
Yield per ton—dwt.	2.48	2.45
Cost per ton milled	R2.88 (28s. 10d.)	R2.88 (28s. 10d.)
Profit per ton milled	R0.26 (2s. 7d.)	R0.23 (2s. 4d.)
Working profit	R109,837 (£54,918)	R102,346 (£51,173)
<b>FINANCIAL</b>		
Taxation and State's Share of Profits—estimated	R19,808 (£9,904)	R19,600 (£9,800)
Capital Recoupments	R2,000 (£1,000)	R5,638 (£2,819)
<b>DEVELOPMENT</b>		
Footage driven	4,484	5,885
Feet sampled	3,530	3,845
Feet payable	450	635
Percentage payability	12.7	16.5
Average value—dwt. per ton	15.35	11.30
Width—inches	58.61	75.29
Equivalent inch-dwt.	900	851

## THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	310,500	297,500
Ounces fine	63,369	61,794
Yield per ton—dwt.	4.08	4.15
Cost per ton milled	R4.17 (41s. 8d.)	R4.24 (42s. 5d.)
Profit per ton milled	R0.97 (9s. 8d.)	R1.03 (10s. 4d.)
Working profit	R300,433 (£150,216)	R308,188 (£154,094)
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	R4,327 (£2,163)	R9,806 (£4,903)
Capital expenditure	R316,608 (£158,304)	R341,752 (£170,876)
<b>DEVELOPMENT</b>		
Mining Lease Area		
Footage driven	4,403	4,975
Feet sampled	2,940	3,485
Feet payable	1,005	1,415
Percentage payability	34.2	40.6
Average value—dwt. per ton	11.17	15.13
Width—inches	29.70	27.55
Equivalent inch-dwt.	332	417
Outside Mining Lease Area — (Withok No. 131 I.R.)		
Footage driven	6,347	7,700
Feet sampled	3,725	3,615
Feet payable	1,730	1,250
Percentage payability	46.4	34.6
Average value—dwt. per ton	15.62	19.45
Width—inches	25.41	28.26
Equivalent inch-dwt.	397	550
<b>SHAFT SINKING</b>		
No. 3 Shaft System		

No. 3A shaft was sunk 364 feet to its final depth of 4,051 feet below the collar. Preparatory work for the sinking of No. 3 Sub-vertical shaft is now in progress and it is anticipated that sinking will commence in July, 1961.

## PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	359,500	352,000
Ounces fine	283,376	280,736
Yield per ton—dwt.	15.77	15.95
Cost per ton milled	R6.26 (62s. 7d.)	R6.21 (62s. 1d.)
Profit per ton milled	R13.62 (136s. 2d.)	R14.06 (140s. 7d.)
Working profit	R4,895,761 (£2,447,880)	R4,950,478 (£2,475,239)
<b>URANIUM</b>		
Share of Joint Scheme Profit	R267,500 (£133,750)	R262,300 (£131,150)
Total Profit from Gold and Uranium	R5,163,261 (£2,581,630)	R5,212,778 (£2,606,389)
<b>FINANCIAL</b>		
Taxation and State's share of Profits (estimated)	R2,495,100 (£1,247,550)	R2,536,500 (£1,268,250)
Capital Expenditure—Gold and Uranium including contributions towards capital cost of President Steyn and Welkom uranium plants	R755,610 (£377,805)	R833,052 (£416,526)
<b>DEVELOPMENT</b>		
Footage driven	21,603	21,156
Feet sampled	1,895	2,405
Feet payable	1,730	1,940
Percentage payability	91.3	80.7
Average value—dwt. per ton	114.54	108.67
Width—inches	8.32	6.49
Equivalent inch-dwt.	953	705
<b>URANIUM</b>		

In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review.

The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

## VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	308,500	306,000
Ounces fine	143,454	141,751
Yield per ton—dwt.	9.30	9.26
Cost per ton milled	R6.63 (66s. 4d.)	R6.64 (66s. 5d.)
Profit per ton milled	R5.08 (50s. 10d.)	R5.13 (51s. 4d.)
<b>URANIUM (Joint Production Scheme)</b>		
Uranium oxide produced—lb.	369,585	—
Yield per ton treated—lb.	0.472	—
Estimated working profit of joint scheme (before charging royalties)	R1,672,901 (£836,450)	—
<b>FINANCIAL</b>		
Gold—Working profit	R1,567,950 (£783,975)	R1,570,496 (£785,248)
Uranium—Share of Joint Scheme Working Profit*	R1,087,236 (£543,618)	R846,158 (£423,079)
Total Working Profit from Gold and Uranium	R2,655,186 (£1,327,593)	R2,416,654 (£1,208,327)
Royalties payable	R643,436 (£321,718)	—
<b>URANIUM Loans</b>		
Repayments (including interest)	R140,316 (£70,158)	R140,316 (£70,158)
Interest free loans receivable	R23,400 (£11,700)	—
<b>Taxation and State's Share of Profits—estimated</b>		
Capital Expenditure	R796,634 (£398,317)	R1,581,636 (£790,818)
<b>DEVELOPMENT</b>		
Footage driven	25,015	26,704
Feet sampled	6,510	8,420
Feet payable	5,150	6,495
Percentage payability	79.1	77.1
Average gold value—dwt. per ton	62.46	63.25
Average Uranium oxide value—lb. per ton	3.94	4.89
Width—inches	10.31	10.53
Equivalent inch-dwt.	644	666
Equivalent inch-lb.	40.63	51.52

\* URANIUM  
The uranium profits for 1960 resulted from production of uranium by the company for its own account against its original sales contract which was due to terminate at the end of 1966. The proposals set out in the circular to members dated 9th February, 1961, whereby the production of augmented uranium quota entitlements will be stretched out until 1970 under a Western Reefs-Vaal Reefs Joint Scheme have been implemented with effect from 1st January, 1961.

In the company's monthly declaration for January, February and March, 1961, uranium profits have been shown after deduction of royalties payable. In this quarterly report, and in future monthly declarations, uranium profits will be shown before deduction of royalties.



## PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	320,000	318,000
Ounces fine	119,873	118,605
Yield per ton—dwt.	7.49	7.46
Cost per ton milled	R6.25	R6.24
	(62s. 6d.)	(62s. 5d.)
Profit per ton milled	R3.17	R3.26
	(31s. 8d.)	(32s. 7d.)
Working profit	R1,013,322	R1,038,180
	(£506,661)	(£519,090)
Uranium (Share of Joint Scheme Profit)	R370,000	R363,200
	(£185,000)	(£181,600)
Total Profit from Gold and Uranium	R1,383,322	R1,401,380
	(£691,661)	(£700,690)
<b>FINANCIAL</b>		
Capital expenditure: gold and uranium, including contributions towards capital cost of Welkom uranium plant less recoupments	R742,388	R787,324
	(£371,194)	(£393,662)

## PRESIDENT STEYN GOLD MINING COMPANY, LIMITED—Continued

Taxation	—	—
Interest charges (excluding interest on uranium loans)	R86,783	R82,622
	(£43,391)	(£41,311)
Uranium loan repayments (comprising redemption and interest)	R245,774	R245,774
	(£122,887)	(£122,887)
<b>DEVELOPMENT</b>		
Basal Reef		
Total footage driven	15,297	15,203
Feet sampled	2,850	2,390
Feet payable	2,590	2,230
Percentage payability	90.9	93.3
Average value—dwt. per ton	34.94	32.35
Width—inches	11.79	12.10
Equivalent inch-dwt.	412	391

### URANIUM

In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review.

The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

1. The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders the sterling equivalent is given in brackets below each monetary figure in these reports. £1 is equivalent to two Rand.

2. The development values in all these companies' reports represent actual results of sampling, no allowance having been made for adjustments which are necessary in estimating ore reserves.

3. Copies of the complete quarterly reports of any company may be had on application to the London Secretaries, 40 Holborn Viaduct, E.C.1.

London Office : 40 Holborn Viaduct, E.C.1

13th April, 1961.

For and on behalf of  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED,  
W. C. SQUIRE, Joint London Secretary.

## WITWATERSRAND NIGEL, LIMITED

(Incorporated in the Union of South Africa)

### REPORT OF THE DIRECTORS For the Quarter ended 31st March, 1961

#### PRODUCTION

Tons Milled	59,300	
Yield (in oz. fine)	12,913	
Yield per Ton Milled (dwt.)	4.355	Per Ton Milled s. d.
		51 4
Working Revenue	£162,604	
Working Costs	152,120	
Working Profit	£10,484	3 6
Add: Sundry Revenue	3,255	
NET PROFIT	£13,739	

(\*235/7d. per oz. fine)

#### CAPITAL EXPENDITURE

Capital Expenditure during the Quarter amounted to £1,130.

#### DEVELOPMENT

Development Footage	4,769 feet
Footage on Reef	3,406 feet
Footage Sampled	3,365 feet

The payable reef disclosures were as follows:—

815 feet, or 24.2%, averaging 7.53 dwt. per ton over a width of 28.40 inches, equivalent to 214 inch-dwts.

(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserves.)

Stoping operations in the lower levels of the Houtpoort shoot during the past six months have yielded poorer results than expected. Whilst all efforts are being made to maintain the position, it is not expected that there will be an improvement in results before the future of development operations at No. 3 Shaft is decided early in 1962.

By Order of the Board,

P. LATILLA-CAMPBELL, London Secretary.

London Office: 120 Moorgate, London, E.C.2. 19th April, 1961.

## SPAARWATER GOLD MINING COMPANY LIMITED

(Incorporated in the Union of South Africa)

### REPORT OF THE DIRECTORS

For the Quarter ended 31st March, 1961

Tons milled	33,200	
Total yield ounces fine	10,761	
Total yield per ton (dwt.)	6.483	Per Ton Milled
		R8.13
Working revenue	R270,032	(81s. 4d.)
	(£135,016)	
Cost of mining and milling	R211,389	R6.37
	(£105,695)	(63s. 8d.)
Excess of revenue over cost of mining and milling	R58,643	R1.76
	(£29,321)	(17s. 8d.)
Expenditure on development	R55,948	R1.68
	(£27,974)	(16s. 10d.)
Working profit	R2,695	R0.08
	(£1,347)	(0s. 10d.)
Expenditure on capital account	Nil	
Government taxes	Nil	

#### DEVELOPMENT

**Spaarwater Lease Area.** The total footage advanced by the Company during the quarter amounted to 2,619 feet. The footage sampled amounted to 2,210 feet, of which 470 feet, equal to 21.3 per cent, proved payable at an average value of 8.0 dwt. per ton over an estimated stoping width of 37.5 inches, equivalent to 300 inch-dwt.

Not included above is 1,101 feet of development advanced by The Sub Nigel Limited in the Spaarwater lease area under a tribute agreement with that Company. The footage sampled amounted to 1,005 feet, of which 390 feet, equal to 38.8 per cent, proved payable at an average value of 5.9 dwt. per ton over an estimated stoping width of 40.8 inches, equivalent to 241 inch-dwt.

**Western Section of Mine.** Development in the Western Section continued during the quarter. The footage sampled amounted to 1,410 feet, of which 115 feet, equal to 8.2 per cent, proved payable at an average value of 8.8 dwt. per ton over an estimated stoping width of 37.0 inches, equivalent to 326 inch-dwt.

**Area Held Under Prospecting Permission.**—In addition, 719 feet were advanced under prospecting permission in the area outside the western boundary of the mine. The footage sampled amounted to 605 feet, of which 120 feet, equal to 19.8 per cent, proved payable at an average value of 5.4 dwt. per ton over an estimated stoping width of 40.8 inches, equivalent to 220 inch-dwt.

Development returns show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied.

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets on the basis of R2 equals £1 sterling.

By Order of the Board,

P. LATILLA-CAMPBELL, London Secretary.

London Office: 120, Moorgate, London, E.C.2. 13th April, 1961.

# GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

**GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 31st March, 1961**  
All companies mentioned are incorporated in the Union of South Africa

	BUFFELSFONTEIN GOLD MINING COMPANY LIMITED			ELLATON GOLD MINING COMPANY LIMITED			SOUTH ROODEPOORT MAIN REEF AREAS LIMITED			STILFONTEIN GOLD MINING COMPANY LIMITED			WEST RAND CONSOLIDATED MINES LIMITED		
	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961
<b>PRODUCTION</b>															
<b>GOLD:</b> Tons milled .....	441,000	442,000	446,000	85,000	79,000	76,000	91,000	90,000	85,000	504,000	504,000	517,000	409,000	391,000	391,000
Ounces fine recovered .....	181,442	182,441	192,637	20,058	18,800	17,660	21,781	21,748	20,648	228,636	229,075	235,206	59,235	57,342	57,188
Yield per ton—dwt. ....	8.229	8.255	8.638	4.720	4.759	4.647	4.787	4.833	4.853	9.073	9.090	9.099	2.897	2.933	2.925
Revenue per ton milled .....	(102/10)	(105/2)	R10.93	(59/11)	(60/5)	R5.85	(60/4)	(61/10)	R6.18	(113/8)	(115/6)	R11.47	—	(38/9)	R12.84
Cost per ton milled .....	(58/6)	(58/10)	R6.01	(42/2)	(43/7)	R4.49	(45/11)	(45/10)	R4.73	(64/2)	(64/3)	R6.53	—	(37/5)	R3.66
Profit per ton milled .....	(44/4)	(46/4)	R4.92	(16/11)	(16/10)	R1.36	(15/3)	(16/0)	R1.45	(49/6)	(51/3)	R4.94	—	(1/4)	R0.18
<b>URANIUM:</b> Tons milled .....	368,000	336,000	349,000	99,397	99,779	24,759	—	—	—	297,300	323,600	114,405	228,000	228,000	232,000
Tons treated .....	191,671	186,212	187,574	30,232	31,921	9,471*	—	—	—	89,327	90,649	37,885*	228,000	228,000	232,000
Yield per ton treated—lb .....	0.5208	0.5542	0.5375	0.3042	0.3199	0.2818	—	—	—	0.3005	0.2801	0.2715	1.423	1.42	1.60
Uranium oxide sold—lb .....	188,728	188,257	179,750	32,316	30,612	1,384	—	—	—	92,412	92,413	37,360	308,100	308,086	343,000
<b>URANIUM SECTION (WEST RAND CONS)</b>															
Gold—ounces fine recovered .....	—	—	—	—	—	—	—	—	—	—	—	—	5,203	5,628	5,596
Yield per ton—dwt. ....	—	—	—	—	—	—	—	—	—	—	—	—	0.456	0.494	0.482
Cost per ton .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	R6.84
" .....	—	—	—	—	—	—	—	—	—	—	—	—	49/10	49/7	(68/5)
<b>FINANCIAL</b>															
<b>GOLD:</b> Working revenue .....	2,268,228	2,323,461	4,873,809	251,043	238,779	444,916	274,549	278,420	524,942	2,864,096	2,910,883	5,931,180	771,749	758,783	1,501,883
Working costs .....	1,290,189	1,300,530	2,677,713	179,128	172,072	341,410	205,071	206,417	402,072	1,616,801	1,619,500	3,377,150	730,310	731,155	1,431,915
Working profit .....	978,039	1,022,931	2,196,096	71,915	66,707	103,506	69,478	72,003	122,870	1,247,295	1,291,383	2,554,030	41,439	27,628	69,968
<b>URANIUM:</b> Working revenue .....	726,939	722,920	1,364,968	134,813	139,923	90,732	—	—	122,870	391,177	381,559	302,499	1,176,602*	1,180,021*	2,634,799*
Royalties receivable .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Working and treatment costs .....	151,939	156,920	304,691	87,813	89,923	80,732	—	—	178,177	178,177	166,559	137,499	568,408	565,466	1,161,690
Royalties payable .....	—	—	93,277	—	—	—	—	—	—	—	—	—	—	—	425,410
Profit .....	575,000	566,000	967,000	47,000	50,000	10,000	—	—	213,000	213,000	215,000	175,000	608,194	614,555	1,047,699
<b>SULPHURIC ACID:</b> Working profit .....	63,000	61,000	88,000	—	—	—	—	—	—	50,000	47,000	20,000	—	—	(£23,850)
Additional revenue .....	—	—	—	—	—	—	1,750	1,550	3,500	—	—	—	16,800	22,276	27,500
<b>TOTAL PROFIT</b>	1,616,039	1,649,911	3,351,006	118,915	116,707	113,506	71,728	73,553	126,370	1,510,208	1,522,933	2,749,030	466,433	464,433	1,145,167

\* Including 6,826 lbs from clean-up operations.

\* Including 2,493 lbs from clean-up operations.

Additional revenue	16,800	22,276	(£13,750)
<b>TOTAL PROFIT</b>			
Taxation (Inc. State's share of profits)	666,433	664,459	1,145,167 (£572,584)
Uranium and other Loan repayments (including interest)	260,000	285,000	467,000 (£233,500)
<b>CAPITAL EXPENDITURE:</b>			
Gold	631,284	214,722	155,448 (£77,724)
Uranium, Pyrite and Acid	807,828	761,837	1,176,856 (£588,428)
Amortisation Contributions received (Uranium)	5,556	12,522	4,621 (£2,310)
Dividend per share	—	1/9	—
<b>DEVELOPMENT</b>			
Total footage advanced	28,691	28,429	27,263
Footage sampled	6,075	6,755	6,515
Footage payable	5,455	6,375	6,300
Percentage payable	89.8	94.4	96.7
Channel width—inches	37.5	35.9	32.4
Gold:			
Average value—dwt	17.2	18.7	17.8
Inch-dwt	644	670	577
Uranium: Pounds per ton	0.950	1.079	1.088
Inch-pounds	35.62	38.74	35.26
<b>URANIUM SECTION (WEST RAND CONS.)</b>			
Total footage advanced	13,617	12,777	12,893
Footage sampled	6,060	6,478	6,411
Footage payable	4,475	4,690	4,725
Percentage payable	73.8	72.4	73.7
Channel width—inches	40.8	41.3	44.0
Gold value—inch-dwt	9.2	8.9	7.3
Uranium: Pounds per ton	375	369	322
Inch-pounds	13,617	12,777	12,893
<b>ORE RESERVES</b>			
Gold: Tons	4,275,000	4,275,000	4,275,000
Stoping width—inches	58.6	42.2	49
Value dwt	9.27	8.262	3.4
Inch-dwt	543	349	166
Uranium: Pounds per ton	0.726	0.862	—
Inch-pounds	42.50	36.43	—
<b>URANIUM SECTION (WEST RAND CONS.)</b>			
Tons	3,496,000	3,496,000	3,496,000
Stoping width—inches	34	34	34
Uranium: Pounds per ton	1,325	1,325	1,325
Inch-pounds	45.05	45.05	45.05
Dwt. per ton	0.7	0.7	0.7
Inch-dwt	24	24	24

NOTE:  
DEVELOPMENT VALUES REPRESENT ACTUAL RESULTS OF SAMPLING, NO ALLOWANCE HAVING BEEN MADE FOR ANY REDUCTIONS WHICH, SUBSEQUENTLY, MAY BE CONSIDERED NECESSARY WHEN COMPILING THE ORE RESERVES.

## NOTE

## Introduction of Decimal Currency.

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders monetary figures in these reports are given in Rand with the equivalent Sterling shown below in brackets, at an exchange rate of R2 equals £1 sterling.

South West Africa: Operations during the quarter ended 31st March, 1961 were adversely affected by the underground explosion which took place on 17th February. The loss of profits is covered by insurance.

Uranium: The operations of the plant are suspended on 30th January, 1961, and the future of the plant is under consideration.

Uranium: Statements dated 1st February 1961 and 1st March 1961 are published in the press and copies circulated to all registered shareholders.

Copies of the full quarterly Reports may be obtained on application to the London Secretaries at address given below.

London Office: Winchester House,

Old Broad Street, E.C.2.

12th April, 1961.

For and on behalf of  
General Mining & Finance Corporation Limited.  
B. M. IVISON, London Secretary.



## JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

### MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st March, 1961 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER.

(All Companies mentioned are incorporated in the Union of South Africa)

**GENERAL REMARKS**—The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves. The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets at an exchange rate of R2 equals £1 sterling.

#### THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

<b>ISSUED CAPITAL</b> .....	<b>R8,127,106 (£4,063,553)</b>	
(Divided into 4,063,553 shares of R2 (£1) each, fully paid)		
	<b>Quarter ended 31st March, 1961</b>	<b>Quarter ended 31st Dec., 1960</b>
<b>OPERATIONS</b>		
Gold Division		
Tons Milled .....	51,000	48,000
Gold Produced—ounces fine .....	9,352	8,040
Yield per ton milled—dwts. ....	3.667	3.350
Cost per ounce .....	R25.20	R25.74
	(25s. 0d.)	(25s. 5d.)
Revenue per ton milled .....	R4.72	R4.39
	(47s. 2d.)	(43s. 11d.)
Cost per ton milled .....	R4.62	R4.31
	(46s. 2d.)	(43s. 1d.)
Profit per ton milled .....	R0.10	R0.08
	(1s. 0d.)	(10d.)
Revenue from Gold and Sundry Revenue .....	R240,957	R210,822
	(£120,478)	(£105,411)
Less: Working Costs .....	R235,699	R206,960
	(£117,849)	(£103,480)
<b>ESTIMATED PROFIT</b> .....	<b>R3,862</b>	<b>R3,862</b>
	(£2,629)	(£1,931)
<b>Uranium Division</b>		
Tons milled .....	429,000	435,000
Cost per ton milled .....	R7.83	R7.82
	(78s. 3d.)	(78s. 2d.)
Uranium Oxide produced—lbs. ....	443,839	452,041
Yield per ton milled—lbs. ....	1.035	1.039
Uranium Oxide sold—lbs. ....	368,000	446,550
Gold produced—ounces fine .....	20,948	21,447
Yield per ton milled—dwt. ....	.977	.986
Revenue from Uranium Oxide sold .....	R3,429,760	R4,182,352
	(£1,714,880)	(£2,091,176)
Less: Net expenditure attributable to Uranium Oxide sold, i.e. mining costs, treatment costs and provision for repayment of Uranium loans less sundry revenue and revenue from Gold in Uranium Ore .....	R3,092,105	R3,604,390
	(£1,546,052)	(£1,802,195)
Profit on Uranium Oxide sold .....	R337,655	R577,962
	(£168,828)	(£288,981)
Net revenue from Acid sold, after providing for repayment of loan attributable to Acid sold ..	R28,345	R29,092
	(£14,172)	(£14,546)
Royalty receivable for transfer of portion of tonnage quota less provision for repayment of Uranium loan attributable thereto .....	R473,400	—
	(£236,700)	—
<b>ESTIMATED PROFIT</b> .....	<b>R839,400</b>	<b>R607,054</b>
	(£419,700)	(£303,527)
<b>NOTE:</b> Sales of uranium oxide for the quarter ended 31st March, 1961, and the estimated profit arising therefrom have been based on a <i>pro rata</i> of the company's sales entitlement for the year and not on actual production during the quarter under review. Owing to insufficient information the estimated profits for January and February were underdeclared by R13,600 (£6,800).		
<b>RESULTS OF OPERATIONS</b>		
Combined Estimated Profit for quarter—Gold and Uranium Divisions .....	R844,658	R610,916
	(£422,329)	(£305,458)
Less: Estimated Taxation .....	This Quarter R330,000 (£165,000)	Last Quarter R292,000 (£146,000)
Contribution towards cost of Atomic Energy Board's Uranium Research Programme .....	R27,558 (£13,779)	R28,606 (£14,303)
Capital Expenditure .....	Nil	R17,566 (£8,783)
	R357,558 (£178,779)	R338,172 (£169,086)
<b>BALANCE OF PROFIT FOR QUARTER</b> .....	<b>R487,100</b>	<b>R272,744</b>
	(£243,550)	(£136,372)
Valuation of stocks of Uranium Oxide on hand at end of quarter at estimated net cost of production, exclusive of provision for repayment of Uranium Loans .....	R536,834 (£268,417)	R99,122 (£49,561)
<b>URANIUM LOANS</b>		
Balance of Loans outstanding at end of Quarter ..	R5,675,104 (£2,837,552)	R6,045,704 (£3,022,852)

#### THE RANDFONTEIN ESTATES GOLD MINING CO., WITWATERSRAND, LIMITED—continued

<b>DEVELOPMENT</b>		
Total Development—feet .....	27,731	25,954
<b>Gold Division</b>		
Development—feet .....	Nil	64
Sampled—feet .....	—	65
Payable—feet .....	—	35
Percentage payable .....	—	54
Value—dwts. ....	—	7.9
Width—inches .....	—	36
Inch-dwts. ....	—	284
<b>Uranium Division—Bird Reef Series</b>		
Development—feet .....	27,731	25,890
Sampled:		
Feet .....	4,885	5,375
Value—uranium—lbs. ....	2.1	2.3
Value—gold—dwts. ....	3.3	3.7
Width—inches .....	23	21
Inch-lbs.—uranium .....	48	48
Inch-dwts.—gold .....	76	78
Payable:		
Feet .....	*2,245	*2,735
Percentage .....	46	51
Value—uranium—lbs. ....	3.6	3.4
Value—gold—dwts. ....	6.2	5.7
Width—inches .....	20	20
Inch-lbs.—uranium .....	72	68
Inch-dwts.—gold .....	124	114

\* In the case of the Uranium Division payability is based on the combined Gold and Uranium content.

#### GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED LIMITED

<b>ISSUED CAPITAL</b> .....	<b>R140,000 (£70,000)</b>	
(Divided into 5,600,000 shares of 2½ cents (3d.) each, fully paid)		
	<b>Quarter ended 31st March, 1961</b>	<b>Quarter ended 31st Dec., 1960</b>
<b>OPERATIONS</b>		
Tons milled .....	138,000	157,000
Gold recovered from current milling—ounces fine ..	23,256	26,066
Recovery per ton dwts. ....	3.370	3.320
Gold recovered from old residues—ounces fine ..	4,710	4,393
<b>RESULTS OF OPERATIONS</b>		
Revenue from gold, silver and osmium, including revenue from sales of gold derived from the treatment of old residues .....	R708,260 (£354,130)	R779,584 (£389,792)
Rents and sundry revenue .....	R11,889 (£5,944)	R10,812 (£5,406)
Revenue from sales of salvaged plant and equipment ..	R6,836 (£3,418)	R13,578 (£6,789)
	R726,985 (£363,492)	R803,974 (£401,987)
Less: Working costs .....	R776,333 (£388,166)	R802,608 (£401,304)
Loss from gold mining, treatment of old residues and salvage operations and sundry revenue (last quarter—profit) .....	(Loss) R49,348 (£24,674)	(Profit) R1,366 (£683)
Net revenue from pyrite .....	R154,717 (£77,358)	R158,736 (£79,368)
<b>TOTAL PROFIT FOR QUARTER</b> .....	<b>R105,369</b>	<b>R160,102</b>
	(£52,684)	(£80,051)
Less: Estimated Taxation and Government share of profits .....	This Quarter R15,000 (£7,500)	Last Quarter R26,400 (£13,200)
Provision for interest on and repayment of pyrite loan .....	R20,700 (£10,350)	R20,700 (£10,350)
Capital Expenditure .....	Nil	Nil
	R35,700 (£17,850)	R47,100 (£23,550)
<b>BALANCE OF PROFIT FOR QUARTER</b> .....	<b>R69,669</b>	<b>R113,002</b>
	(£34,834)	(£56,501)
<b>PYRITE LOANS</b>		
Balance of Loans outstanding at end of quarter ..	R269,452 (£134,726)	R287,320 (£143,660)
<b>DEVELOPMENT</b>		
Total Development—feet .....	Nil	Nil

**THE EAST CHAMP D'OR GOLD MINING COMPANY, LIMITED.**

<b>ISSUED CAPITAL</b> ..... R519,750 (£259,875) (Divided into 2,079,000 shares of 25 cents (2s. 6d.) each, fully paid)			
	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960	
<b>OPERATIONS</b>			
Tons Milled .....	36,500	37,600	
Cost per ton milled .....	R5.20 (52s. 0d.)	R5.23 (52s. 3d.)	
Uranium oxide produced—lbs. ....	28,408	28,531	
Uranium oxide sold—lbs. ....	28,408	28,531	
Yield per ton milled—lb. ....	.778	.759	
Gold produced—ounces fine .....	888	920	
Yield per ton milled—dwt. ....	.487	.489	
<b>RESULTS OF OPERATIONS</b>			
Uranium Division			
Revenue from Uranium Oxide sold subject to future adjustment .....	R272,877 (£136,438)	R281,298 (£140,649)	
Less: Net Mine Working Costs (i.e., after deducting Sundry Revenue and Revenue from Gold in Uranium Ore), Treatment Costs and Rental Charges .....	R234,118 (£117,059)	R236,784 (£118,392)	
	R38,759 (£19,379)	R44,514 (£22,257)	
Gold Division			
Profit from milling of 4,500 (last quarter 4,500) tons arising from reclamation operations on the Main Reef series .....	R1,047 (£524)	R890 (£445)	
<b>TOTAL OPERATING PROFIT FOR QUARTER</b>	R39,806 (£19,903)	R45,404 (£22,702)	
Less:			
Estimated Taxation .....	This Quarter R10,400 (£5,200)	Last Quarter R12,600 (£6,300)	

Contribution towards cost of Atomic Energy Board's Uranium Research Programme .....	R1,762 (£881)	R1,934 (£967)	
Provision for interest on and repayment of Uranium Loans .....	R7,810 (£3,905)	R7,810 (£3,905)	
Capital Expenditure .....	Nil	Nil	
			R19,972 (£9,986)
			R22,344 (£11,172)
<b>BALANCE OF PROFIT FOR QUARTER</b> .....			R19,834 (£9,917)
			R23,060 (£11,530)

<b>URANIUM LOANS</b>			
Balance of Loans outstanding at end of Quarter ..	R108,418 (£54,209)	R115,094 (£57,547)	
<b>DEVELOPMENT</b>			
Development—feet .....	1,799	2,728	
Sampled:			
Feet .....	805	1,640	
Value—uranium—lbs. ....	2.2	1.7	
Value—gold—dwts. ....	1.7	1.4	
Width—inches .....	15	16	
Inch—lbs.—uranium .....	33	27	
Inch—dwts.—gold .....	26	22	
Payable:			
Feet .....	*340	*545	
Percentage .....	42	33	
Value—uranium—lbs. ....	3.1	3.1	
Value—gold—dwts. ....	2.3	2.7	
Width—inches .....	15	15	
Inch—lbs.—uranium .....	47	47	
Inch—dwts.—gold .....	35	41	

\* Payability is based on the combined gold and uranium content.

**FREDDIES CONSOLIDATED MINES, LIMITED**

<b>ISSUED CAPITAL</b> ..... R32,719,826 (£16,359,913) (Divided into 16,359,913 shares of R2 (£1) each, fully paid)			
	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960	
<b>OPERATIONS</b>			
Gold:			
Tons milled .....	184,000	181,000	
Gold produced—ounces fine .....	39,624	39,115	
Yield per ton milled—dwts. ....	4.31	4.32	
Cost per ton milled .....	R6.45 (64s. 6d.)	R6.71 (67s. 1d.)	
<b>RESULTS OF OPERATIONS</b>			
Revenue from Gold and Sundry Revenue .....	R1,023,058 (£511,529)	R1,020,126 (£510,063)	
Less Working Costs .....	R1,186,559 (£593,280)	R1,214,572 (£607,286)	
<b>LOSS ON GOLD MINING</b> .....	R163,501 (£81,751)	R194,446 (£97,223)	
Uranium—Share of Joint Scheme Profits .....	R260,308 (£130,154)	R293,550 (£146,775)	
Deduct: Contribution towards capital cost of Orange Free State Joint Production Plants .....	R66,308 (£33,154)	R69,550 (£34,775)	
<b>PROFIT</b> .....	R194,000 (£97,000)	R224,000 (£112,000)	
<b>TOTAL PROFIT FOR QUARTER</b> .....	R30,499 (£15,249)	R29,554 (£14,777)	
Less:			
Interest payable on amounts advanced to the company ..	This Quarter R24,777 (£12,388)	Last Quarter R24,084 (£12,042)	
Contribution towards cost of Atomic Energy Board's uranium research programme .....	R3,250 (£1,625)	R3,930 (£1,965)	
Capital expenditure .....	Nil	Nil	
	R28,027 (£14,013)	R28,014 (£14,007)	

<b>EXCESS OF INCOME OVER EXPENDITURE FOR QUARTER</b> .....			
	R2,472 (£1,236)	R1,540 (£770)	
In terms of the arrangements advised to members in a circular dated 1st February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review.			
The uranium earnings shown above include the working profits from production of uranium to the dates of closure of the respective treatment plants and the net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.			

**LOANS**  
During the quarter under review, R800,000 (£400,000) was repaid to the National Finance Corporation of South Africa. In terms of the arrangement made with Johannesburg Consolidated Investment Company, Limited, that company advanced, on short term loan, the funds required to meet the loan repayments as they fell due.

At 31st March, 1961, the amounts owing to the National Finance Corporation and Johannesburg Consolidated Investment Company, Limited, were R300,000 (£150,000) and R1,050,000 (£525,000) respectively.

<b>DEVELOPMENT</b>			
	Qtr. ended 31st March, 1961	Qtr. ended 31st Dec., 1960	
Total Development—feet .....	8,538	7,662	
Sampled			
Feet .....	1,030	665	
Value—dwts. ....	47.5	40.3	
Width—inches .....	6	6	
Inch—dwts. ....	285	242	
Payable			
Feet .....	525	220	
Percentage .....	51	33	
Value—dwts. ....	62.2	63.4	
Width—inches .....	6	6	
Inch—dwts. ....	373	380	

In addition, 29 feet of development was carried out on the "B" Reef horizon, all of which was on reef. Of this, 25 feet were sampled and found to be unpayable. In view of the arrangements that have been made whereby the company has disposed of its uranium quota, payability is based on gold content only. The figures for the quarter ended 31st December, 1960, have been adjusted accordingly.

**WESTERN AREAS GOLD MINING COMPANY LIMITED**

<b>AUTHORISED AND ISSUED CAPITAL: R16,540,000 (£8,270,000)</b>			
<b>PAID UP CAPITAL</b> ..... R16,138,918 (£8,069,459)			
(Divided into 16,005,224 units of stock of R1 (10s.) each, fully paid, and 534,776 shares of R1 (10s.) each, 25c. (2s. 6d.) per share paid.)			
While the estimated total cost of bringing the mine into production still remains unchanged the accelerated rate of progress has resulted in a rapid absorption of available funds, and on 1st March, 1961, a call was made, of 75 cents (7s. 6d.) per share on 3,970,761 partly paid shares, amounting to R2,978,070.75 (£1,489,035 7s. 6d.). The paid up capital was thereby increased from R13,160,847.25 (£6,580,423 12s. 6d.) to R16,138,918.00 (£8,069,459 0s. 0d.). The amount still to be called on the remaining 534,776 partly paid shares is R401,082.00 (£200,541 0s. 0d.).			
<b>SHAFT SINKING AND EQUIPPING</b>			
Main Shaft			
Shaft Sinking			
Advance for Quarter .....			473 feet
Depth at 31st March, 1961 .....			4,980 feet
Concrete Lining			
Advance for Quarter .....			525 feet
Depth at 31st March, 1961 .....			4,980 feet
The sinking of this shaft was completed on the 3rd March, 1961, and work is in progress on the installation of the permanent shaft equipment.			
<b>DEVELOPMENT</b>			
The total development footage accomplished during the quarter amounted to 9,450 feet of which 3,528 feet were developed in connection with the shaft and station layouts and 5,922 feet in haulages and main crosscuts.			

Excavations for the main intermediate pump station on 33 level commenced during the quarter.

On 36 level the crosscut North has not reached the point of take off for 36 haulages East and West.

On 38 level the haulages East and West reached the strike positions of the first four raises, and four crosscuts have been taken off in a southerly direction to traverse the Elsburg and Ventersdorp Contact Reefs. By the end of the quarter they had not exposed the full succession of reefs. It is not possible correctly to evaluate such reef bands as may be encountered in haulages and crosscuts, and results of sampling will in future be published only in respect of development on reef. Such development will commence during the current quarter.

**EUROPEAN HOUSING**

A further twelve houses for the use of European employees are under construction in Westonaria Township.

**NON-EUROPEAN ACCOMMODATION**

Sufficient accommodation for the non-European complement required for development and initial stoping has been completed.

**MINE SERVICES**

The construction of a cooling pond and one of the main fans has been completed and the erection of the first main compressor is progressing.

**EXPENDITURE**

Capital expenditure during the quarter amounted to R1,200,000 (£600,000) bringing the total capital expenditure to 31st March, 1961, to R12,023,000 (£6,016,000) which sum includes expenditure incurred in establishing and developing the mine as well as the cost of the mining lease, freehold property, mineral rights, prospecting expenditure, preliminary and share issue expenses.

# THE CENTRAL MINING—RAND MINES GROUP

South African Mining Companies' Directors' Reports for Quarter Ended 31st March, 1961.

Offices of the London Secretaries: 4 London Wall Buildings, E.C.2.

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when estimating ore reserves at the ends of the respective financial years.

The South African decimal currency system became effective on 14th February 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown in brackets on the basis of R2 equals £1 sterling.

## DURBAN ROODEPOORT DEEP, LIMITED.

Ore milled 562,000 tons	Yield 103,266 oz. fine.	Yield per ton 3.675 dwt.	Per Ton Milled
Working Revenue	R2,602,782	..	R4.63
	(£1,301,391)	..	(46s. 3d.)
Working Expenditure	R2,306,900	..	R4.10
	(£1,153,450)	..	(41s. 0d.)
<b>WORKING PROFIT</b>	<b>R295,882</b>	..	<b>R0.53</b>
	<b>(£147,941)</b>	..	<b>(5s. 3d.)</b>

Adjusting for sundry revenue R25,500 (£12,750) the **TOTAL PROFIT** was **R321,382 (£160,691)**.

Taxation R8,200 (£4,100).

Capital Expenditure R136,800 (£68,400).

**CENTRALISATION OF REDUCTION OPERATIONS AT THE ROODEPOORT UNITED PLANT**—Extensions and improvements to provide for increased capacity at the Roodepoort United Plant are progressing satisfactorily.

**5A SUB-VERTICAL SHAFT**—All work in connection with the deepening and equipping of No. 5A Sub-Vertical Shaft from 45 level to 53 level has been completed.

**DEVELOPMENT** totalled 20,207 feet.

Reef	Footage Sampled	Feet	Per Cent.	PAYABLE DISCLOSURES		
				Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
Kimberley Reef	4,480	2,490	55.6	6.5	50	327
South Reef	350					
Main Reef	2,910	1,190	40.9	9.9	40	397
<b>TOTALS &amp; AVERAGES</b>	<b>7,740</b>	<b>3,680</b>	<b>47.5</b>	<b>7.4</b>	<b>47</b>	<b>350</b>

No. 1E Sub-Vertical Shaft was sunk 280 feet to a depth of 352 feet below the collar or 187 feet below 41 Station.

## EAST RAND PROPRIETARY MINES, LIMITED.

Ore milled 695,000 tons.	Yield 153,431 oz. fine.	Yield per ton 4.415 dwt.	Per Ton Milled
Working Revenue	R3,860,769	..	R5.55
	(£1,930,385)	..	(55s. 6d.)
Working Expenditure	R3,505,386	..	R5.04
	(£1,752,693)	..	(50s. 5d.)
<b>WORKING PROFIT</b>	<b>R355,383</b>	..	<b>R0.51</b>
	<b>(£177,692)</b>	..	<b>(5s. 1d.)</b>

Adjusting for sundry expenditure R37,300 (£18,650), the **NET PROFIT** was **R318,083 (£159,042)**.

Taxation R500 (£250).

Capital Expenditure R251,800 (£125,900).

Operational results during the quarter have been affected by the test milling and gradual changing over to the new Central Reduction Plant which is now in full commission and operating satisfactorily. The tonnage milled has increased because of a temporary decrease in sorting and the seasonal influx of Native labour. The yield per ton milled has been adversely affected by absorption in the new plant, by a falling off in the grade of ore from the F. West and G. West longwalls, and to a small extent by the use of low grade Kimberley Reef during the trial milling period.

The Company has applied to the Mining Leases Board for the undermining rights of an area in extent approximately 252 claims on the farms Klippoorjie No. 110 I.R., Klippoorjie No. 112 I.R. and Leeuwpoot No. 113 I.R., District Germiston, adjacent to the Southern boundary of the Company's present mining title.

**DEVELOPMENT** totalled 14,428 feet.

Reef	Footage Sampled	Feet	Per Cent.	PAYABLE DISCLOSURES		
				Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
South Reef	500	150	30.0	10.0	42	418
Main Reef Leader	310					
Composite Reef	2,160	760	35.2	13.3	31	411
Main Reef	1,050	420	40.0	11.5	42	483
<b>TOTALS &amp; AVERAGES</b>	<b>4,020</b>	<b>1,330</b>	<b>33.1</b>	<b>12.1</b>	<b>36</b>	<b>435</b>

## HARMONY GOLD MINING COMPANY LIMITED.

Ore milled	535,000 tons
Gold recovered	217,790 oz. fine
Gold yield	8.142 dwt. per ton
Slimes treated for Uranium	535,200 tons
Uranium produced	259,400 lb.
Uranium yield	0.485 lb. per ton.
Uranium sold (f.o.b.)	180,426 lb.
Pyrites concentrate recovered	7,187 tons.
Sulphuric Acid produced	7,094 tons.

GOLD		Per Ton Milled	
Working Revenue	R5,484,169	..	R10.25
	(£2,742,085)	..	(102s. 6d.)
Working Expenditure	R3,392,630	..	R6.34
	(£1,696,315)	..	(63s. 5d.)
<b>Working Profit</b>	<b>R2,091,539</b>	..	<b>R3.91</b>
	<b>(£1,045,770)</b>	..	<b>(39s. 1d.)</b>

## URANIUM, PYRITES AND SULPHURIC ACID

Working Profit	R1,166,332
	(£583,166)

**TOTAL WORKING PROFIT**..... **R3,257,871**  
(£1,628,936)

Adjusting for interest on funds borrowed, R70,300 (£35,150) less sundry revenue (net) R44,900 (£22,450), the **NET PROFIT** was **R3,232,471 (£1,616,236)**.

Dividend No. 10 of 14 cents (1s. 4.8d. U.K. Currency) per share declared on 28th March, 1961, payable on or about 24th May, 1961, to Shareholders registered on 15th April, 1961, (Dr.) R2,520,000 (£1,260,000).

Capital Expenditure, (Dr.) R654,600 (£327,300).

Loan Accounts—Repayments (Dr.) R197,600 (£98,800) and Interest free uranium loan receivable (Cr.) R56,000 (£28,000).

**TAXATION AND LEASE CONSIDERATION**—No South African taxation or Lease Consideration is as yet payable by the Company.

**UNDERGROUND WATER**—During the quarter the water pumped per 24 hours averaged 4,872,000 gallons and for the month of March, 4,655,000 gallons.

**VENTILATION SHAFT**—The fourth main fan was commissioned during January.

**NO. 2 SHAFT**—In addition to the normal reef and off-reef development accomplished during the quarter, 3,355 feet and 6,335 feet of off-reef development was done on 21 and 25 levels respectively.

**URANIUM**—With effect from 1st January, 1961, new agreements for the supply of uranium were concluded between the South African Atomic Energy Board and the overseas purchasers in place of the agreements previously existing between the Board and the Combined Development Agency and Shareholders were informed of the new arrangements in a press announcement on 31st January, 1961. As a result, firstly, of extending the period of delivery of the balance of 1,100 tons of the Company's old contract to supply the Agency from its expiry date in June, 1965, until June, 1969, on the basis of supplying at half the old rate of delivery over double the period; secondly, of extending the period of delivery of the balance of 1,127 tons of the Company's separate contract with the United Kingdom Authority until December, 1970; and thirdly, of taking cession from other producers, on a royalty basis, of the right to supply a total of 814 tons during the period ending 31st December, 1965, this Company will be able to maintain production at approximately full capacity until the end of 1965, and thereafter at approximately half capacity until the end of 1970. Due, however, to the fact that the profits on the quotas acquired will be small, uranium profits over the next five years will not be much more than half the amount which would have been earned under the original contracts.

**SALE OF 397 CLAIMS TO VIRGINIA O.F.S. GOLD MINING COMPANY, LIMITED**—Provisional agreement has been reached for the sale of the mining rights of two portions of the Company's mining lease area together in extent approximately 397 claims, to Virginia Orange Free State Gold Mining Company, Limited, subject to ratification by Shareholders of both Companies.

A circular was issued to all registered Shareholders on 4th April, 1961, containing details of the proposals, and convening an Extraordinary General Meeting for 4th May, 1961, to obtain the necessary ratification by Shareholders of this Company. It is proposed to return the proceeds of this sale to Shareholders over a period by reducing the Company's Share Premium Account.

**DEVELOPMENT**—Total 24,703 feet.

Reef	Footage Sampled	Feet	Per Cent.	PAYABLE DISCLOSURES			
				Gold, Channel Value, Dwt.	Uranium, Channel Value, lb.	Channel Width, inches	Gold, Inch-Dwt.
Basal	1,785	1,535	86.0	17.3	0.908	27	467
							24.52



**CITY DEEP, LIMITED**

Ore milled 338,000 tons.	Yield 69,948 oz. fine.	Yield per ton 4.139 dwt.	
Working Revenue .....	R1,762,202	Per Ton Milled	R5.21
	(£881,101)		(52s. 1d.)
Working Expenditure .....	R1,735,019		R5.13
	(£867,509)		(51s. 3d.)
<b>WORKING PROFIT</b> .....	<b>R27,183</b>		<b>R0.08</b>
	(£13,592)		(0s. 10d.)

Adjusting for sundry revenue R17,000 (£8,500), the **TOTAL PROFIT** was **R44,183 (£22,092)**.  
 Taxation R100 (£50).  
 Capital Expenditure R66,900 (£33,450).  
 DEVELOPMENT totalled 8,866 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Value, Dwt. Per Ton	Channel Width, Inches	Inch- Dwt.
South Reef .....	1,590	120	7.5	8.4	32	269
Main Reef Leader .....	790	210	26.6	35.6	14	499
Main Reef .....	470	—	—	—	—	—
<b>TOTALS &amp; AVERAGES</b>	<b>2,850</b>	<b>330</b>	<b>11.6</b>	<b>20.8</b>	<b>20</b>	<b>415</b>

**CONSOLIDATED MAIN REEF  
MINES AND ESTATE, LIMITED**

Ore milled 139,000 tons.	Yield 30,020 oz. fine.	Yield per ton 4.319 dwt.	
Working Revenue .....	R756,333	Per Ton Milled	R5.44
	(£378,167)		(54s. 4d.)
Working Expenditure .....	R740,153		R5.32
	(£370,077)		(53s. 2d.)
<b>WORKING PROFIT</b> .....	<b>R16,180</b>		<b>R0.12</b>
	(£8,090)		(1s. 2d.)

Adjusting for sundry revenue R20,200 (£10,100), the **TOTAL PROFIT** was **R36,380 (£18,190)**.  
 Taxation R5,000 (£2,500).  
 DEVELOPMENT totalled 1,227 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Value, Dwt. Per Ton	Channel Width, Inches	Inch- Dwt.
Main Reef Leader .....	340	110	32.4	46.0	7	322
Main Reef .....	40	—	—	—	—	—
<b>TOTALS &amp; AVERAGES</b>	<b>380</b>	<b>110</b>	<b>28.9</b>	<b>46.0</b>	<b>7</b>	<b>322</b>

**CRQWN MINES, LIMITED**

Ore milled 559,000 tons.	Yield 97,021 oz. fine.	Yield per ton 3.471 dwt.	
Working Revenue .....	R2,443,936	Per Ton Milled	R4.37
	(£1,221,968)		(43s. 8d.)
Working Expenditure .....	R2,434,560		R4.35
	(£1,217,280)		(43s. 6d.)
<b>WORKING PROFIT</b> .....	<b>R9,376</b>		<b>R0.02</b>
	(£4,688)		(0s. 2d.)

Adjusting for sundry revenue R34,500 (£17,250), the **TOTAL PROFIT** was **R43,876 (£21,938)**.  
 Taxation R11,600 (£5,800).  
 DEVELOPMENT totalled 10,475 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Value, Dwt. Per Ton	Channel Width, Inches	Inch- Dwt.
Kimberley Reef .....	1,525	100	6.6	5.4	48	259
South Reef .....	590	90	15.3	7.5	41	306
Main Reef Leader .....	1,870	570	30.5	15.3	28	428
Main Reef .....	2,325	195	8.4	8.9	43	381
<b>TOTALS &amp; AVERAGES</b>	<b>6,310</b>	<b>955</b>	<b>15.1</b>	<b>11.4</b>	<b>34</b>	<b>389</b>

**MODDERFONTEIN EAST, LIMITED**

Ore milled 171,000 tons.	Yield 19,347 oz. fine.	Yield per ton 2.263 dwt.	
Working Revenue .....	R488,954	Per Ton Milled	R2.86
	(£244,477)		(28s. 7d.)
Working Expenditure .....	R481,385		R2.82
	(£240,692)		(28s. 2d.)
<b>WORKING PROFIT</b> .....	<b>R7,569</b>		<b>R0.04</b>
	(£3,785)		(0s. 5d.)

Adjusting for sundry revenue, R6,700 (£3,350) the **TOTAL PROFIT** was **R14,269 (£7,135)**.  
 Taxation (Cr.) R800, (£400).  
 Development totalled 147 feet of which 15 feet were sampled, all of which were unpayable.

**BLYVOORUITZICHT GOLD MINING  
COMPANY, LIMITED.**

Ore milled .....	401,000 tons		
Gold recovered .....	260,003 oz. fine		
Gold yield .....	12.968 dwt. per ton		
Slimes treated for Uranium .....	528,070 tons		
Uranium produced .....	186,275 lb.		
Uranium yield .....	0.353 lb. per ton		
Uranium sold (f.o.b.) .....	137,639 lb.		
<b>GOLD</b>		Per Ton Milled	
Working Revenue .....	R6,547,345		R16.33
	(£3,273,673)		(163s. 4d.)
Working Expenditure .....	R2,579,082		R6.43
	(£1,289,541)		(64s. 4d.)
<b>Working Profit</b> .....	<b>R3,968,263</b>		<b>R9.90</b>
	(£1,984,132)		(99s. 0d.)

**URANIUM AND SULPHURIC ACID**

Working Profit .....	R905,000		
	(£452,500)		

**TOTAL WORKING PROFIT** .....

Adjusting for sundry revenue (net) R106,400 (£53,200), less interest on Uranium and Sulphuric Acid Loans R34,900 (£17,450), the **TOTAL PROFIT** was **R4,944,763 (£2,472,382)**.

Taxation and Lease Consideration .....

Capital Expenditure .....

Uranium and Sulphuric Acid Loan Accounts—Quarterly Instalment—Capital Repayment, R279,700 (£139,850). Interest free loan receivable, Nil, (first instalment due quarter ending 30th September, 1961).

No. 4 SHAFT—During the quarter the shaft entered the solid dolomites and normal sinking operations are now in progress.

URANIUM—With effect from 1st January, 1961, new agreements for the supply of uranium oxide were concluded between the South African Atomic Energy Board and the overseas purchasers in place of the agreements previously existing between the Board and the Combined Development Agency and Shareholders were informed of the new arrangements in a press announcement on 31st January, 1961. As a result firstly of extending the period of delivery of the balance of 972 tons of the Company's old contract, from its expiry date in December, 1963 until December, 1966 on the basis of supplying at half the old rate of delivery over double the period, and, secondly, of taking cession from another producer, on a royalty basis, of the right to supply a total of 740 tons during the period ending 31st December, 1965, this Company will be able to maintain production at approximately full capacity until the end of 1965 and for a further year at approximately half capacity. The profits on the quota acquired will be considerably lower than those on the Company's own contract tonnages and its uranium profits in the period 1st July, 1961, when the changes become fully effective, to 31st December, 1963, will be about half the amount which would have been earned under the original contract.

DEVELOPMENT totalled 19,120 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Gold, Value, Dwt.	Uranium, Value, lb.	Channel Width, Inches	Gold, Inch- Dwt.	Uranium, Inch- lb.
Carbon Leader .....	4,590	3,260	71.0	102.2	4,081	6	613	24,484

No. 4 Shaft was sunk 1,250 feet to a total depth of 1,583 feet below the collar.

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# UNION CORPORATION GROUP

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa  
for Quarter ended 31st March, 1961

London Office : Princes House, 95 Gresham Street, London, E.C.2

## VAN DYK CONSOLIDATED MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	216,000	222,000
Gold produced (in oz. fine).....	34,415	34,271
Yield per ton milled (dwt.).....	3.19	3.09
Cost per ton milled.....	R3.85 (38s. 6d.)	R3.73 (37s. 3d.)
Profit per ton milled.....	R0.17 (1s. 8d.)	R0.20 (2s. 0d.)
Working revenue.....	R867,708 (£433,854)	R871,650 (£435,825)
Working costs.....	R831,069 (£415,535)	R827,258 (£413,629)
Working profit.....	R36,639 (£18,320)	R44,392 (£22,196)
Sundry revenue/expenditure.....	R9,114 (£4,557)	R18,920 (£9,460)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	<b>R45,753 (£22,877)</b>	<b>R63,312 (£31,656)</b>
Estimated taxation and Government's share of profit	R7,000 (£3,500)	R3,600 (£1,800)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	No. 5 Shaft Area*
Footage driven.....	395	229
Footage sampled.....	375	190
Footage payable.....	170	130
Percentage payable.....	45	68
Average value—dwt.....	13.2	11.8
Width—inches.....	24	25
Inch/dwt.....	316	296

\* Included in Main Reef.

## LESLIE GOLD MINES, LTD.

### NO. 1A SHAFT

The equipping of the shaft was completed during the quarter and the loading arrangements installed. Work is proceeding on the cutting of the shaft stations, the ore passes and the upper pump station, and a total of 1,383 feet was accomplished. In addition, 65 feet of development was driven on 5 level, all of which was off reef.

### NO. 1 SHAFT

The shaft was sunk 675 feet to a total depth of 2,277 feet and, in addition, 878 feet of station cutting was done.

### REDUCTION WORKS

Work on the construction of the reduction work is proceeding satisfactorily.

### BRENDAN VILLAGE

22 Houses have now been occupied in Brendan mine village, which is being established close to the mine. Work on a further 69 houses is proceeding.

### GENERAL

Good progress is being maintained in the provision of surface facilities.

### EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R1,004,475 (£502,238).

## MARIEVALE CONSOLIDATED MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	290,000	290,000
Gold produced (in oz. fine).....	70,367	71,295
Yield per ton milled (dwt.).....	4.85	4.92
Cost per ton milled.....	R3.60 (36s. 0d.)	R3.57 (35s. 9d.)
Profit per ton milled.....	R2.52 (25s. 2d.)	R2.67 (26s. 9d.)
Working revenue.....	R1,774,111 (£887,056)	R1,812,582 (£906,291)
Working costs.....	R1,044,237 (£522,119)	R1,036,662 (£518,331)
Working profit.....	R729,874 (£364,937)	R775,920 (£387,960)
Sundry revenue/expenditure.....	R14,623 (£7,312)	R14,046 (£7,023)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	<b>R744,497 (£372,249)</b>	<b>R789,966 (£394,983)</b>
Estimated taxation and Government's share of profit	R360,500 (£180,250)	R344,800 (£172,400)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	Kim-berley Reef
Footage driven.....	1,610	3,170
Footage sampled.....	1,150	2,030
Footage payable.....	300	795
Percentage payable.....	26	39
Average value—dwt.....	20.9	9.6
Width—inches.....	9	27
Inch/dwt.....	188	259

## GEDULD PROPRIETARY MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	235,000	234,000
Gold produced (in oz. fine).....	37,412	39,436
Yield per ton milled (dwt.).....	3.18	3.37
Cost per ton milled.....	R3.45 (34s. 5d.)	R3.49 (34s. 11d.)
Profit per ton milled.....	R0.58 (5s. 10d.)	R0.83 (8s. 4d.)
Working revenue.....	R946,092 (£473,046)	R1,012,688 (£506,344)
Working costs.....	R809,198 (£404,599)	R817,880 (£408,940)
Working profit.....	R136,894 (£68,447)	R194,808 (£97,404)
Sundry revenue/expenditure.....	R14,127 (£7,064)	R690,944 (*£345,472)
<b>TOTAL PROFIT</b> (Subject to taxation)	<b>R151,021 (£75,511)</b>	<b>R885,752 (£442,876)</b>
Estimated taxation.....	R53,300 (£26,650)	R78,200 (£39,100)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Black Reef	Black Reef
Footage driven.....	991	1,672
Footage sampled.....	760	1,280
Footage payable.....	150	350
Percentage payable.....	20	27
Average value—dwt.....	7.9	4.0
Width—inches.....	31	54
Inch/dwt.....	245	215

\* Including dividends.

## THE GROOTVLEI PROPRIETARY MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	640,000	670,000
Gold produced (in oz. fine).....	132,516	138,691
Yield per ton milled (dwt.).....	4.14	4.14
Cost per ton milled.....	R3.19 (31s. 10d.)	R3.04 (30s. 5d.)
Profit per ton milled.....	R2.03 (20s. 4d.)	R2.23 (22s. 4d.)
Working revenue.....	R3,339,544 (£1,669,772)	R3,534,794 (£1,767,397)
Working costs.....	R2,039,770 (£1,019,885)	R2,040,126 (£1,020,063)
Working profit.....	R1,299,774 (£649,887)	R1,494,668 (£747,334)
Sundry revenue/expenditure.....	R35,829 (£17,915)	R34,724 (£17,362)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	<b>R1,335,603 (£667,802)</b>	<b>R1,529,392 (£764,696)</b>
Estimated taxation and Government's share of profit	R672,300 (£336,150)	R756,000 (£378,000)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	Kim-berley Reef
Footage driven.....	4,652	2,776
Footage sampled.....	4,280	1,350
Footage payable.....	2,255	645
Percentage payable.....	53	48
Average value—dwt.....	18.3	52.8
Width—inches.....	13	6
Inch/dwt.....	238	317

## BRACKEN MINES, LTD.

### NO. 1A SHAFT

The equipping of the shaft was completed during the quarter and the loading arrangements installed. Work is continuing on the cutting of the shaft stations, the main pump station and the ore passes, and a total of 1,070 feet was accomplished.

### NO. 1 SHAFT

The shaft was sunk 493 feet to its final depth of 2,681 feet and in addition 511 feet of station cutting was done. Equipping of the shaft has been completed.

### DEVELOPMENT:

	Footage driven	Footage sampled	Footage payable	% payable	Average value, dwt.	Width ins.	Inch/dwt.
	272	105	103	100	25.8	8	204

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

### REDUCTION WORKS

Work on the construction of the Reduction Works is proceeding satisfactorily.

### GENERAL

Good progress is being maintained in the provision of surface facilities.

### EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R851,466 (£425,733).

**WINKELHAAK MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled .....	279,000	282,000
Gold produced (in oz. fine) .....	95,087	95,664
Yield per ton milled (dwt.) .....	6.82	6.78
Cost per ton milled .....	R4.89	R4.77
	(48s. 10d.)	(47s. 8d.)
Profit per ton milled .....	R3.71	R3.87
	(37s. 1d.)	(38s. 9d.)
Working revenue .....	R2,398,692	R2,437,594
	(£1,199,346)	(£1,218,797)
Working costs .....	R1,362,585	R1,345,806
	(£681,293)	(£672,903)
Working profit .....	R1,036,107	R1,091,788
	(£518,054)	(£545,894)
Sundry revenue/expenditure .....	R9,442	R22,446
	(£4,721)	(£11,223)
<b>TOTAL PROFIT</b> .....	<b>R1,026,665</b>	<b>R1,069,342</b>
(Subject to taxation and Government's share)	(£513,333)	(£534,671)
Estimated taxation and Government's share of profit	Nil	Nil
Capital expenditure .....	R439,404	R383,226
	(£219,702)	(£191,613)
	Kimberley	Kimberley
<b>DEVELOPMENT :</b>		
Footage driven .....	15,847	14,392
Footage sampled .....	6,955	4,505
Footage payable .....	4,920	3,685
Percentage payable .....	71	82
Average value—dwt. ....	13.5	14.2
Width—inches .....	36	35
Inch/dwt. ....	486	498

No. 2 SHAFT : Preliminary sinking was completed by mid-January when a depth of 126 feet had been reached. The change-house and shaft offices are nearly completed and the headgear and main winder are being erected. Pre-cementation of the shaft continues from the two diamond drill holes on site.

**EAST GEDULD MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled .....	380,000	374,000
Gold produced (in oz. fine) .....	108,926	108,470
Yield per ton milled (dwt.) .....	5.73	5.80
Cost per ton milled .....	R3.71	R3.72
	(37s. 1d.)	(37s. 2d.)
Profit per ton milled .....	R3.50	R3.67
	(35s. 0d.)	(36s. 9d.)
Working revenue .....	R2,740,263	R2,764,320
	(£1,370,132)	(£1,382,160)
Working costs .....	R1,408,896	R1,389,776
	(£704,448)	(£694,888)
Working profit .....	R1,331,367	R1,374,544
	(£665,684)	(£687,272)
Sundry revenue/expenditure .....	R33,524	R115,284
	(£16,762)	(£57,642)
<b>TOTAL PROFIT</b> .....	<b>R1,364,891</b>	<b>R1,489,828</b>
(Subject to taxation and Government's share)	(£682,446)	(£744,914)
Estimated taxation and Government's share of profit	R711,300	R726,600
	(£355,650)	(£363,300)
Capital expenditure .....	Nil	Nil
<b>DEVELOPMENT :</b>		
Kimberley	Kimberley	Kimberley
Footage driven .....	1,412	964
Footage sampled .....	1,355	730
Footage payable .....	710	410
Percentage payable .....	52	56
Average value—dwt. ....	16.4	16.6
Width—inches .....	11	12
Inch/dwt. ....	180	199

\* Including dividends

**ST. HELENA GOLD MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled .....	530,000	528,000
Gold produced (in oz. fine) .....	185,948	183,492
Yield per ton milled (dwt.) .....	7.02	6.95
Cost per ton milled .....	R4.34	R4.30
	(43s. 4d.)	(43s. 0d.)
Profit per ton milled .....	R4.49	R4.54
	(44s. 11d.)	(45s. 5d.)
Working revenue .....	R4,679,326	R4,668,662
	(£2,339,663)	(£2,334,331)
Working costs .....	R2,297,453	R2,272,104
	(£1,148,727)	(£1,136,052)
Working profit .....	R2,381,873	R2,396,558
	(£1,190,937)	(£1,198,279)
Sundry revenue/expenditure .....	R15,568	R3,168
	(£7,784)	(£1,584)
<b>TOTAL PROFIT</b> .....	<b>R2,397,441</b>	<b>R2,399,726</b>
(Subject to taxation and Government's share)	(£1,198,721)	(£1,199,863)
Estimated taxation and Government's share of profit	R1,238,800	R108,600
	(£619,400)	(£54,300)

Capital expenditure .....	R110,361	R257,750			
	(£55,181)	(£128,875)			
<b>DEVELOPMENT :</b>					
Basal Reef	Basal Reef	Basal Reef			
Footage driven .....	22,934	22,329			
Footage sampled .....	9,130	9,820			
Footage payable .....	4,995	5,865			
Percentage payable .....	55	60			
Average value—dwt. ....	16.0	14.5			
Width—inches .....	41	44			
Inch/dwt. ....	654	639			
<b>SURFACE DIAMOND DRILLING :</b>					
Borehole SH.22, sited some 8,000 feet south-east of No. 4 Shaft was completed during the quarter and intersected the Leader and Basal Reefs with the following results :					
	Depth feet	Value dwt.	Width ins.	Inch/ dwt.	Core Recovery
Intersection					
Basal Reef					
Original .....	3,411	27.8	11.7	325	*
1st Deflection .....	3,411	28.6	8.3	237	†
2nd Deflection .....	3,411	19.65	11.3	222	‡
Leader Reef					
Original .....	3,370	3.8	6.8	26	*
1st Deflection .....	Leader Reef ground away.				
2nd Deflection .....	Deflection started below Leader Reef horizon.				
* Complete. † Complete core but incomplete due to minor faulting. ‡ Incomplete.					

\* Complete. † Complete core but incomplete due to minor faulting. ‡ Incomplete.

### All development values have been discounted to conform with adjustments which are necessary in estimating the ore reserve.

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of Members, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets at an exchange rate of R2.00 equals £1 sterling.

news would not necessarily push prices any lower.

Finally, we must not overlook the private South African investor who, despite his first panicky reaction to the Commonwealth conference, is most unlikely to stay out of Kaffirs at bargain basement prices, if only because his capital is in any case tied up in the Union and he must perforce sink or swim with it.

### The Industry's Earnings and Dividends are Still Rising

The earnings and dividends from the gold mining industry increased steadily during 1960. This was despite a steep rise in tax revenue, due not to any change in the rate or basis of tax, but to the operation of the tax formula as the new mines' capital expenditure offsets decline. This performance has been maintained during the first quarter of 1961, in which gold output achieved an all-time record.

In view of the overriding importance to South Africa of maximizing her gold sales, gold mining, which already suffers a highly discriminatory rate of tax is unlikely to be afflicted with any additional impost. Indeed the reverse might even prove to be the case, if the government envisages the possibility of South Africa having to go it alone for any considerable period, as in that case new capital would have to come from within the industry both for the much needed expansion in its current rate of gold output and for the opening of new mines to make good the exhaustion of some of the older ones.

### Newer Mines May Again Become the Best Buys

In this connection it may be that we are entering a period in which the attractions of some individual mines with further growth prospects may once again supercede those of the finance houses, if not necessarily of

the portfolio companies. At the beginning of 1960 the gold industry had a stronger financial reserve position than at any time in its history, and there has never been any question of the industry's ability to finance its current capital requirements out of its own resources. Finding capital for new mines is, however another matter and if, for the moment, foreign capital cannot be counted on, we may find that the finance houses will be more concerned with conserving resources than increasing dividends.

### A Closer Look at Present Values

As our table of price movements shows, all sections of gold shares have suffered a sharp setback from the prices ruling on January 19, 1961 which were close to the peak of the September 1960—January 1961 recovery.

Prices in the table are shown as at April 11, but the general level of prices has been

(Continued on page 22)



# ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO., LIMITED.

(Incorporated in the Union of South Africa)

Operating Statistics and Vital Information extracted from the Directors' Reports for Mining Companies associated with the Group for the quarter ended 31st March, 1961, and comparative figures for the previous quarter.

(All Companies mentioned are incorporated in the Union of South Africa)

## HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Gold: Tons milled	387,000	367,000
Yield—ounces fine	178,985	170,781
—dwt. per ton milled	9.250	9.307
Uranium: Tons treated:		
From current slimes	390,000	367,000
From surface accumulations	1,000	7,000
Total	391,000	374,000
Yield—lb. of uranium oxide	258,954	252,791
lb. per ton treated	0.662	0.676
Uranium oxide sold—lb.	250,000	259,169
<b>FINANCIAL INFORMATION</b>		
Gold:	Per ton milled	Per ton milled
Revenue	R4,508,575 (£2,254,287)	R4,341,562 (£2,170,781)
Working costs	R2,566,600 (£1,283,300)	R2,396,660 (£1,198,330)
Working profit	R1,941,975 (£970,987)	R1,944,902 (£972,451)
Sundry mining revenue	R60,000 (£30,000)	R60,000 (£30,000)
Total working profit from gold	R2,001,975 (£1,000,987)	R2,004,902 (£1,002,451)
Uranium:	Per lb. sold	Per lb. sold
Revenue	R1,852,050 (£926,025)	R1,976,348 (£988,174)
Treatment costs	R520,050 (£260,025)	R536,348 (£268,174)
Profit from uranium oxide	R1,332,000 (£666,000)	R1,440,000 (£720,000)
Total Working Profit for Quarter	R3,333,975 (£1,666,987)	R3,444,902 (£1,722,451)
Working costs (gold only) per ounce fine	R14.34 (143/5)	R14.03 (140/4)
Development expenditure per ton milled included in working costs	R0.71 (7/2)	R0.76 (7/7)
The following amounts have not been taken into consideration in calculating the working profit shown above:—		
Interest on loans:		
Uranium loans	R39,758 (£19,879)	R37,794 (£18,897)
Housing and other loans	R40,357 (£20,178)	R41,160 (£20,580)
Royalty payments:		
Virginia and New Klerksdorp	R721,350 (£360,675)	—
	R801,465 (£400,732)	R78,954 (£39,477)

The following transactions on loan account were effected during the quarter:—

Loans receivable:		
Interest free loans, repayable during the period of extended uranium production—1967 to 1970	R362,000 (£181,000)	—
Loans repaid:		
Uranium project loans	R134,094 (£67,047)	R136,058 (£68,029)
Housing loans	R10,143 (£5,071)	R21,230 (£10,615)
Other loans	Nil	R800,000 (£400,000)

### CAPITAL EXPENDITURE

Gold production (including R63,110 (£31,555) on capital development)	R586,360 (£293,180)	R1,393,546 (£696,773)
Uranium plant	R39,222 (£19,611)	R49,114 (£24,557)
Total	R625,582 (£312,791)	R1,442,660 (£721,330)

Estimated Taxation and Government's Share of Profits for the nine months ended 31st March, 1961

	(£1,625,000)			
<b>DEVELOPMENT</b>				
Footage advanced	22,552		28,172	
Sampling results of development on Vaal Reef:				
No. 1 Shaft Area:	Total	Payable	Total	Payable
Footage sampled	3,420	2,895 (84.6%)	3,105	2,690 (86.6%)
Channel width (inches)	18.8	19.7	20.6	21.0
Inch-dwt. (gold)	323	364	355	392
Inch-lb. (uranium oxide)	35.14	38.46	34.94	37.96
No. 2A and No. 3 Shaft Area:				
Footage sampled	6,105	4,900 (80.3%)	9,120	7,460 (81.8%)
Channel width (inches)	10.6	10.4	14.7	15.1
Inch-dwt. (gold)	325	380	380	444
Inch-lb. (uranium oxide)	23.80	25.46	23.63	25.79
Total Mine:				
Footage sampled	9,525	7,795 (81.8%)	12,225	10,150 (83.0%)
Channel width (inches)	13.5	13.9	16.2	16.7
Inch-dwt. (gold)	325	374	374	430
Inch-lb. (uranium oxide)	27.87	30.29	26.50	29.30

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

### SHAFT SINKING AND EQUIPPING

No. 4 Vertical Shaft:			
Footage sunk	1,919 feet		2,840 feet
Depth below collar	5,558 feet		3,639 feet
Concrete lining accomplished	1,919 feet		2,840 feet
Depth of concrete lining below collar	5,528 feet		3,609 feet
A total of 8,110 cubic feet was excavated in shaft stations.			

GENERAL  
The second deflection from borehole HB.25 has reached a depth of 7,565 feet and is in hanging-wall quartzites of the Vaal Reef.

A pilot Radiometric Sorting Plant has been erected and commissioned for experimental purposes.

## RAND LEASES (VOGELSTUISFONTEIN) GOLD MINING COMPANY LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Tons milled	551,000	560,000
Yield—ounces fine	75,573	79,328
—dwt. per ton milled	2.743	2.833
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	R1,903,908 (£951,954)	R2,015,758 (£1,007,879)
Working costs	R1,938,808 (£969,404)	R2,000,300 (£1,000,150)
Working loss	R34,900 (£17,450)	*R15,458 (£7,729)
Sundry mining revenue	R13,500 (£6,750)	R0.02 (£1,000)
Net Working Loss for Quarter	R21,400 (£10,700)	*R0.05 (£2,500)
Working costs per ounce fine	R25.65 (256/6)	R25.22 (252/2)
Development expenditure per ton milled included in working costs	R0.19 (1/11)	R0.22 (2/2)
Capital Expenditure	R4,496 (£2,248)	R48,028 (£24,014)

Estimated Taxation for the nine months ended 31st March, 1961		R12,000 (£6,000)	
<b>DEVELOPMENT</b>			
Footage advanced		6,189	8,492
Sampling results obtained:—			
Main Reef Series			
Footage sampled	Total 1,795	Payable 1,460 (81.3%)	Total 2,460 Payable 1,350 (54.9%)
Channel width—inches	17.9	18.0	23.6
Inch-dwt.	286	336	198
Bird Reef			
Footage sampled	850	240 (28.2%)	930 (25.8%)
Channel width—inches	43.9	45.4	53.1
Inch-dwt.	103	185	101
Kimberley Reef			
Footage sampled	160	60 (37.5%)	590 (8.5%)
Channel width—inches	50.4	61.0	58.8
Inch-dwt.	149	276	124
Total—All Reefs			
Footage sampled	2,805	1,760 (62.7%)	3,980 (41.2%)
Channel width—inches	27.6	23.2	33.4
Inch-dwt.	222	313	165

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the reef.)

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding ore reserve.)

### VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Gold: Tons milled	385,000	399,000
Yield—ounces fine	80,834	85,724
—dwt. per ton milled	4.199	4.297
Uranium: Tons treated	351,780	429,000
Yield—lb. of uranium oxide	114,817	161,880
—lb. per ton treated	0.326	0.377
Uranium oxide sold—lb.	56,113	164,890
<b>FINANCIAL INFORMATION</b>		
Gold:		
Revenue	R2,039,241 (£1,019,621)	R5.29 R2,179,798 (£2,111) (£1,089,899)
Working costs	R2,310,925 (£1,155,463)	R6.00 R2,217,258 (£1,108,629)
Working loss	R271,684 (£135,842)	R0.71 R37,460 (£18,730)
Sundry mining revenue	R26,000 (£13,000)	R0.07 R42,346 (£21,173)
Net working loss from gold	R245,684 (£122,842)	R0.64 *R4,886 (£2,443)
Uranium Oxide		
Revenue	R444,304 (£222,152)	R7.92 R1,405,502 (£702,751)
Treatment costs	R158,001 (£79,000)	R2.82 R507,502 (£253,751)
Profit from uranium oxide production	R286,303 (£143,152)	R5.10 R898,000 (£449,000)
Uranium royalty received	R513,948 (£256,974)	—
Total profit from uranium	R800,251 (£400,126)	R898,000 (£449,000)
Estimated profit from acid	R166,899 (£83,449)	R184,332 (£92,166)
Total Working Profit for Quarter	R721,466 (£360,733)	R1,087,218 (£543,609)
Working costs (gold only) per ounce fine	R28.59 (285/10)	R25.87 (258/8)
Development expenditure per ton milled included in working costs	R0.82 (8/2)	R0.52 (5/2)

The following amounts have not been taken into consideration in calculating the working profit shown above:

(a) Debenture and Loan Stocks, Housing and other loans—Interest

(b) Loans obtained for Acid and Uranium production—Interest

—Loan Repayment

**CAPITAL EXPENDITURE**

Gold production

Uranium and acid plants

Total

Taxation and Government's share of profits for the quarter ended 31st March, 1961

**DEVELOPMENT**

Footage advanced

This includes 682 feet of development advanced in the proposed Merriespruit Tribute Area, 117 feet in Harmony Area "A" and 81 feet in Harmony Area "B".

In addition 3,716 feet of development were done by Harmony Gold Mining Company Limited, for and on behalf of this company in Harmony Area "A".

Sampling results of development on Basal and Leader Reefs in the Virginia Lease Area:

Footage sampled

Channel width (inches)

Inch-dwt. (gold)

Inch-lb. (uranium oxide)

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

**SHAFT SINKING**

21-17A Sub-Incline Shaft

Footage sunk

Depth below 31 level

31-29 Sub-Incline Shaft

Footage raised

Height above 31 level

31-28 Sub-Vertical Shaft

Footage raised at incomplete dimensions

Height above 31 level

42 feet

206 feet

226 feet

221 feet

51 feet

42 feet

206 feet

226 feet

221 feet

51 feet

42 feet

206 feet

226 feet

221 feet

51 feet

42 feet

### EASTERN TRANSVAAL CONSOLIDATED MINES, LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Tons milled	57,300	58,600
Yield—ounces fine	17,599	17,799
—dwt. per ton milled	6.143	6.075
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	R441,723 (£220,861)	R454,054 (£227,027)
Working costs	R378,889 (£189,444)	R387,620 (£193,810)
Working profit	R62,834 (£31,417)	R66,434 (£33,217)
Sundry mining revenue	R18,942 (£9,471)	R19,582 (£9,791)
Total Working Profit for Quarter	R81,776 (£40,888)	R86,016 (£43,008)
Capital Expenditure	R27,563 (£13,781)	R30,006 (£15,003)
<b>DEVELOPMENT</b>		
Footage advanced	8,878	9,242
<b>SHAFT SINKING AND EQUIPMENT</b>		
New Consort Gold Mine		
Prince Consort Shaft		
Footage sunk	105 feet	153 feet
Depth below collar	2,804 feet	2,699 feet
The shaft has reached a depth of 60 feet below 37 level.		

**GENERAL**

Agnes Mine  
Reconditioning of the old Woodbine shaft is continuing and at the end of the quarter had reached a depth of 400 feet below the collar. Work on the hoist and headgear is still in progress.

At the Golden Hill Mine the adit to afford access to the old workings was completed and prospecting on the 2nd and 3rd levels has commenced.

### VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Tons milled (including 26,840 tons from accumulated slimes)	98,600	87,500
Yield—ounces fine	12,379	12,281
—dwt. per ton milled	2.511	2.807
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	R312,320 (£156,160)	R312,194 (£156,097)
Working costs	R324,048 (£162,024)	R337,500 (£168,750)
Working loss	R11,728 (£5,864)	R25,306 (£12,653)
Sundry mining revenue	R2,700 (£1,350)	R1,800 (£900)
Net Working Loss for Quarter	R9,028 (£4,514)	R23,506 (£11,753)
Working costs per ounce fine	R26.18 (261/10)	R27.48 (274/10)
Development expenditure per ton milled included in working costs	R0.23 (2/4)	R0.27 (2/9)
Capital Expenditure	R16,501 (£8,250)	R37,182 (£18,591)
Estimated Taxation for the nine months ended 31st March, 1961	Nil	Nil
<b>DEVELOPMENT</b>		
Footage advanced	4,106	4,187
Reconditioning footage	2,469	2,140

**GENERAL**

The Village Incline Shaft has now advanced 195 feet inside the Robinson

Deep property and development on South Reef has commenced on two levels.

**Insurance Claim**

The company has received an amount of R16,138 (£8,069) for loss of profits and standing charges and R4,732 (£2,366) for material damage resulting from the fire reported in the September, 1960, quarter.

### ZANDPAN GOLD MINING CO., LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>FINANCIAL INFORMATION</b>		
Capital Expenditure	R561,974 (£280,987)	R1,166,452 (£583,226)
Total Capital Expenditure up to 31st March, 1961, amounted to R8,360,598 (£4,180,299) (including R516,773 (£258,386) Preliminary and Share Issue Expenses).		
<b>SHAFT SINKING AND EQUIPPING</b>		
Footage sunk	988 feet	425 feet
Depth below collar	6,532 feet	5,544 feet
Concrete lining accomplished	988 feet	425 feet
Depth of concrete lining below collar	6,502 feet	5,514 feet
A total of 20,891 cubic feet was excavated in the cutting of a service station on the 6,300 feet horizon and a main station on the 6,500 feet horizon.		
Work on the foundations for two surface fans is in progress.		
<b>GENERAL</b>		
An additional block of single quarters have been erected in the compound.		

### ANGLO-TRANSVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this company for the quarter ended 31st March, 1961, totalled 306,279 tons. (Quarter ended 31st December, 1960—312,765 tons.)

Both totals are subject to correction for road loading tonnage.

## LORRAINE GOLD MINES, LIMITED

		Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960		
<b>PRODUCTION</b>				(b) Housing Loans:	
Gold: Tons milled		245,000	245,000	—Interest	R2,479 (£1,240)
Yield—ounces fine		61,860	54,230		R1,421 (£710)
—dwt. per ton milled		5.050	4.427	—Loan Repayment	Nil
<b>FINANCIAL INFORMATION</b>				<b>CAPITAL EXPENDITURE</b>	
Gold:				Gold production (including R257,527 (£128,763) in respect of underground development charged to capital)	R466,622 (£233,311)
Revenue		R1,558,745 (£779,372)	R1,377,808 (£688,904)	Uranium:	R794,242 (£397,121)
Working costs		R1,590,668 (£795,334)	R1,461,700 (£730,850)	Contribution towards capital cost of joint uranium plants	R77,236 (£38,618)
Working loss		R31,923 (£15,962)	R83,892 (£41,946)		R71,164 (£35,582)
Sundry mining revenue		R6,000 (£3,000)	R6,000 (£3,000)		R865,406 (£432,703)
Net working loss from gold		R25,923 (£12,962)	R77,892 (£38,946)	Taxation and Government's share of profits for the half year ended 31st March, 1961	Nil
Uranium:				<b>DEVELOPMENT</b>	
Share of profit of Orange Free State joint uranium production scheme		R210,000 (£105,000)	R198,000 (£99,000)	Footage advanced	22,139
Total		R184,077 (£92,038)	R120,108 (£60,054)	Sampling results obtained:—	19,130
Working costs (gold only) per ounce fine		R25.71 (257/1)	R26.95 (269/6)	"B" Reef	
Development expenditure per ton milled included in working costs		R0.37 (3/8)	R0.37 (3/8)	Footage sampled	Total Payable 565 425
Notes:				Channel width (inches)	18.4 19.6
(i) The uranium profit of R210,000 (£105,000) consists of this company's share of the work- ing profit from uranium oxide produced by the joint treatment plants at Welkom and President Steyn prior to their closure during the quarter, and share of the net revenue from royalties received in respect of the transfer of the joint sales quota to other producers.				Inch-dwt. (gold)	316 396
(ii) All information relating to uranium production is provisional and subject to adjustment. The following amounts have been taken into consideration in calculating the profit shown above:—				Elburg Reefs	
(a) 6% Registered Unsecured Notes:				Footage sampled	2,390 1,735
—Interest		R16,398 (£8,199)	R16,398 (£8,199)	Channel width (inches)	30.3 29.8
				Inch-dwt. (gold)	622 821
				Total—All Reefs	2,955 2,160
				Footage sampled	564 737
				Channel width (inches)	28.0 27.8
				Inch-dwt. (gold)	564 737

## CONSOLIDATED MURCHISON (TRANSVAAL) GOLDFIELDS AND DEVELOPMENT COMPANY LIMITED

		Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960	Taxation for the three months ended 31st March, 1961	
<b>PRODUCTION</b>					R57,000 (£28,500)
Tons crushed		36,800	41,900	<b>DEVELOPMENT</b>	
<b>FINANCIAL INFORMATION</b>				Footage accomplished all of which was developed in connection with the antimony/gold ore bodies	2,454 1,788
Profit from antimony and gold		R194,908 (£97,454)	R382,620 (£191,310)	Footage sampled	700 250
Capital Expenditure		R2,737 (£1,368)	R86,886 (£43,443)	Payable footage on account of combined antimony and gold content	285 250
				Percentage payable	41 100

little changed between then and our going to press on April 25.

Amongst the new mines, those paying a nominal rate of dividend or no dividends have at times been particularly badly affected by the setback. This is not surprising as the tendency during the market recession is to seek investments offering a good yield, and investors holding this type of share are less likely to sell than the speculator who is attracted by the growth possibilities of the developers and semi-developers in periods of market buoyancy.

If the present setback is to be a lengthy one, the relative popularity of good dividend payers may be even greater than in the past because of the entry of South African institutions such as Sanlam and the South African Mutual into the gold share market in recent years. This is a factor which may over-shadow the longer-term possibilities of the developing mines while the market is in an uncertain condition.

**Group 1.** Of the mines in this group, Blyvoors, West Driefontein and Western Holdings offer the likelihood of a continuation of the gradual increase in dividends which has been a feature of these shares in recent years. Libanon, Vaal Reefs and Winkelhaak are other mines which offer the prospect of increased dividends subject to capital expenditure requirements. Similarly, a rise in Welkom's pay-

ments is likely, although it will be limited by the need to repay loans in the next year or two. Looking slightly further ahead, St. Helena and Stilfontein hold out every prospect of higher dividends on recent development trends.

Of the other mines in this section, Buffelsfontein, President Brand and Western Reefs seem likely to maintain their present dividend rates and all three offer some prospect of an increase in the longer-term, given reasonable development.

The Harmony dividend is safe until the mine incurs liability for taxation which is likely to reach a fairly high level in the latter months of 1962. Nevertheless, if allowance is made for the projected capital return of 3.6d. per cent a half year for the next 5½ years, there is the prospect of good dividends for several years to come when allowance is made for uranium revenue over the extended contract period.

Some further reduction in the annual declarations by Doornfontein and Harties is possible but these should not be drastic. With heavy capital expenditure and approaching liability for tax, the F.S. Geduld dividend outlook is rather obscure.

**Group 2.** Here Lorraine may pay a token dividend in September 1962. Maiden declarations by the other developers cannot be guessed at yet. Nevertheless, if development is in reasonable accord with the

boreholes, shares such as Bracken, Leslie, Lorraine, Western Areas and Western Deep Levels should ultimately pay extremely attractive dividends relative to the depressed prices which the shares have reached on setbacks in recent weeks.

There is no reason why those committed to gold shares should not continue to hold a reasonable proportion of developers in their portfolios in view of the attractive long-term possibilities.

**Group 3.** With the announcement of the new uranium arrangements, the old gold/uranium shares in this group, with the exception of East Champ which has an extremely limited life under any circumstances, may be considered in much the same class as fixed interest stocks—providing an adequate proportion of the high dividends are set aside to amortise the capital invested. While not without interest for certain specialist purposes, they will not appeal to the normal gold share investor. They have displayed considerable resistance on the recent setback partly because of their limited appeal in a buoyant market and also because of the relatively certain dividend picture now that the doubts surrounding uranium in the remaining contract periods have been removed.

**Group 4.** With the uncertainties regarding land values engendered by the plans to develop industry on the borders of the Native



reserves, interest in these shares will be confined to periods when the question of an increase in gold price or of a devaluation of the Rand are topical.

Their possibilities as break-ups have also been lessened by the recent announcements by Modder East and Consolidated Main Reef that certain companies, who are shareholders, have blocked the move to revert from dividend payments to tax-free capital repayments. With the recent changes in the South African Income Tax Act, this will detract from the appeal of this type of share to South Africans in a high tax bracket as well as to their British counterparts.

A group of South African investment companies which has large shareholdings in the two mines concerned is also largely interested in City Deep, Crown Mines and New Kleinfontein so that a switch from dividend payments to capital returns in due course cannot be taken for granted.

**Group 5.** A few of these shares will no doubt continue to attract attention as yield sweeteners, but with the relatively attractive yields now offering on the newer long-life, high-grade mines, the investor will be well advised to concentrate largely on the leading shares, where the need to provide for amortisation of an investment is relatively slender.

#### No Change in U.K. Shareholders Tax Liability

Many U.K. shareholders have, quite understandably, been showing some concern as to their new taxation position after South Africa leaves the Commonwealth on May 31. Concern as to the immediate future is, however, unfounded as the new South Africa Temporary Provisions Act 1960/61 covers, albeit indirectly, the present relief that U.K. shareholders receive on their South African dividends under the provisions of Sect. 348 and the 17th Schedule of the Income Tax Act 1952, which provides for unilateral relief for taxes payable in territories within the Commonwealth.

As to the future, it is thought unlikely that the United Kingdom would be prepared to enter a reciprocal agreement under the provisions of the Double Taxation Agreements, yet it is equally unlikely that no provisions will be made at all. It has been suggested that a likely final outcome is that under the terms of Sect. 348 sub-section (6), South Africa will continue to be defined as part of the Commonwealth. The precedent for this has been established in the case of Sudan. If this in fact turns out to be the case then there will be no change in the existing position, even after the expiry of the Temporary Provisions Act.

#### Higher Labour Efficiencies for Lower Costs and Higher Output

Both for the operating mines and for the State, a much more important factor than tax is the problem of higher operating efficiency for the dual purpose of increasing the rate of gold output and combatting mounting costs now that the prospect of a rise in the gold price has again receded.

This is a matter of particular importance in the case of those marginal mines which have plenty of ore still to be mined. The State needs the gold and the shareholder has a mine which will be paying a relatively low rate of tax so that he will therefore be bearing himself the greater part of any reduction in profits from rising costs. Rising output may well provide the answer, especially where it may prove possible to

### PRICE MOVEMENTS 1960—61

(Excluding mines returning capital)

	Price				Dividends		Gross Yield
	Mid-July '60	Oct. 19, '60	Jan. 19, '61	Apr. 12, '61	1959/60	1960/61	Apr. '61
<b>1. NEW MINES—DIVIDEND PAYERS</b>							
Blyvooruitzicht	25/-	28/-	30/6	25/9	2/3	2/6.6	9.7
Buffelsfontein	39/-	43/-	44/6	35/6	3/3	3/7½	10.1
Doornfontein	28/-	26/9	29/-	25/3	3/-	2/10.8	11.3
Free State Geduld	112/6	132/6	120/7½	93/9	8/-	8/6	8.9
Harmony	27/-	30/-	30/6	23/3	2/6	2/9.3	11.7
Hartebeestfontein	43/-	46/6	54/-	45/3	6/6	5/6	12.0
Libanon	12/1½	14/7½	16/9	11/4½	7	9.3	6.6
President Brand	58/-	61/6	64/9	48/9	5/6	5/6	10.9
President Steyn	20/6	20/6	20/9	17/-	2/3	1/9	10.1
St. Helena	62/6	78/6	78/9	56/3	4/-	5/0.6	8.8
Stillfontein	29/6	33/6	36/3	29/6	3/6	3/-	10.0
Vaal Reefs	38/9	43/9	45/-	37/6	3/6	3/6	9.0
Welkom	13/6	16/-	19/7½	13/7½	6	8.1	4.8
West Driefontein †	77/9	87/9	101/3	77/6	4/6†	5/6.3	7.0
Western Holdings	111/3	140/-	156/10½	120/-	9/-	10/-	8.2
Western Reefs	25/-	28/-	30/3	24/-	2/6	2/6	10.2
Winkelhaak	19/6	24/6	27/9	20/6	—	10	4.0
<b>2. NEW MINES—NON-DIVIDEND PAYERS</b>							
Bracken	22/6	27/-	31/6	20/9	—	—	—
Freddies Cons.	1/9	2/-	2/4½	1/3	—	—	—
F. S. Saaiplaas	10/-	10/7½	8/9	6/3	—	—	—
Leslie	13/3	19/3	21/9	17/-	—	—	—
Lorraine	24/6	23/7½	26/9	18/3	—	—	—
Merriespruit	1/8	2/6	3/2	1/3	—	—	—
Virginia	3/3	3/6	4/9	3/-	—	—	—
Western Areas	13/-	14/10½	20/9	15/9	—	—	—
Western Deep	36/3	43/6	47/6	33/-	—	—	—
Zandpan	13/9	12/6	13/-	9/6	—	—	—
<b>3. OLD GOLD/URANIUM</b>							
Daggafontein	17/3	18/9	23/3	18/6	2/6	4/-	21.0
East Champ.	2/-	1/6	2/-	1/6	6	6	28.5
Luipaards Vlei	6/10½	7/-	8/3	7/9	2/-	2/-	25.0
Randfontein	15/9	15/9	23/3	19/3	4/-	3/-	15.2
West Rand Cons.	16/9	18/3	20/6	17/-	4/3	4/3	24.3
<b>4. OLD MINES VALUED LARGELY ON BREAK-UP</b>							
City Deep	13/6	14/6	22/3	12/6	1/3	1/3.9	10.2
Cons. Main Reef	13/-	13/9	14/6	12/9	2/9	3/-	22.6
Crown Mines	21/-	22/6	28/6	20/3	3/9	4/-	19.3
Modderfontein E.	11/-	12/3	12/-	9/-	1/-	1/-	10.5
New Kleinfontein	3/3	3/6	6/3	3/6	—	—	—
<b>5. OTHER OLDER MINES</b>							
Durban Deep	24/6	29/-	36/3	24/-	3/-	3/-	12.2
East Daggafontein	8/-	8/10½	10/7½	7/4½	1/3	1/4½	18.5
East Geduld	15/10½	17/3	20/3	16/3	3/8	3/5.6	20.7
East Rand Prop.	26/3	28/6	40/9	27/6	3/6	3/3	11.3
Geduld Prop.	49/4½	55/-	57/6	40/-	9/9	6/11.2	16.8
Grootvlei	17/3	18/6	22/6	17/6	2/6	2/5.8	13.8
Marievale	23/9	25/-	28/-	23/6	2/11	3/4.8	14.2
S. A. Land	11/9	14/3	18/9	13/6	1/9	1/-	7.1
Venterspost	18/9	21/6	22/9	17/6	1/9	2/-	11.1
Vlakfontein	15/6	16/4½	17/3	15/3	1/11	2/0.2	12.8
Wit Nigel	1/-	1/-	1/1½	10½	1½	1½	12.5

† adjusted for scrip issue.

(Continued on page 24)

achieve this without any heavy capital investment in new shafts or mill extensions.

Over the past ten years mining costs on the post-war mines have been rising fairly steadily at an average rate of about 2½ per cent per ton per annum despite very substantial increases in tonnages, without which the rise in unit cost would have been more. This is a rough measure of the rate of inflation to which the industry has been subjected. How far this process will be accelerated as the government moves towards its aim of higher African living standards and consequently of earnings, remains to be seen.

Significantly one of the remarkable characteristics of the industry in this period has been the resilience of marginal producers in the face of rising costs which have been persistently fought off by higher efficiencies and in some cases larger tonnage throughputs, and small increases in mill grades.

As we show in an article entitled "South Africa's Quest for Higher Labour Efficiencies" on page 473 of this week's issue, labour, and more especially European labour, is the largest item in mine costs. It is also the one which appears to offer the greatest scope for economy and with African labour now quantitatively at an all-time peak, the gold industry's attention is becoming increasingly centred on raising labour efficiencies by better training and improved mining methods.

#### Labour Efficiency Potential as Guide to Share Values

Thus, the extent to which any given mine will prove amenable to higher labour efficiencies may, in a climate of declining gold price hopes, provide quite as significant a basis for share classification as does the

more conventional classification by grade or profit per ounce.

Quite apart from cost savings, it will be apparent that some of the means of achieving higher labour efficiencies could in many cases lead also to a higher rate of gold output. To the extent that the short term maximisation of South Africa's gold output is likely to be an important factor in stabilising her balance of payments position and consequently in her being able to pursue her desired racial policies more rapidly and therefore with greater prospect of success, many investors may feel that this could be quite as important a benefit of improved efficiencies as is the purely cost aspect of the matter.

Taken together they certainly constitute two of the most encouraging features, not merely of the gold industry itself, but equally of the outlook for the whole South African economy.

## HIGHLIGHTS FROM THE QUARTERLIES

Doornfontein have announced the results of the two boreholes that have been drilled from the 15 level footwall drive west. These two holes have extended the area of the Carbon leader considerably further west than was previously anticipated. The values shown by these boreholes are good when the friability of the reef is considered.

Having started trial milling during the December quarter F.S. Saaiplaas is now milling 50,000 t.p.m. under normal conditions. Over the full March quarter a loss has been shown but the company showed a maiden profit for the month of March.

Western Deep levels, who have now exhausted the capital funds so far raised, have announced their plans for raising further capital. The original rights offer to "B" shareholders at 45s. has been reduced to 30s. and a second rights offer to both "A" and "B" holders, also at 30s., has been made. These offers, which have been underwritten, will raise a further £8,400,000.

The life of Virginia has been extended by the purchase from Harmony of two areas adjoining the Virginia western boundary. These areas are to be worked by Virginia for six years until June 30, 1967. Also, Virginia is to work some 320 claims of the Merriespruit lease area on a five-year tribute basis.

Vaal Reefs and Western Reefs are now operating a joint scheme for the production of uranium. Together the two mines have purchased additional quotas on a royalty basis and have extended the new contract until 1970.

The labour force in the whole industry has been standing at a record figure during the past months. At Welkom particularly the Native labour compliment is well above average. So much so in fact, that it has not been possible to employ the additional labour entirely on stoping and thus transfers have been made to development. This has had the effect of increasing the overall costs, but in pushing the development

ahead of current requirements the mine is building up a valuable reserve against a possible fall in the labour supply in the future.

Lorraine have now proved the continuity of the Elsburg series from the old Lorraine boundary down to the No. 3 shaft area. So far eight different reefs have shown payable values. At present there are no immediate plans to increase the milling capacity, though it would be possible to increase the throughput to 115,000 t.p.m. without an additional ventilation shaft.

Under the terms of the "South Africa Temporary Provisions Bill", South Africa is to be regarded as being part of the Commonwealth for a further twelve months following Republic Day. The provisions of this Bill cover the taxation position of U.K. shareholders at present receiving double taxation relief on their South African shares.

An automatic reef sorter is now on trial at Harties in a pilot plant. This sorter, if successful, will be of immense importance to the industry as a whole, not only in reducing operating costs but also in reducing the capital expenditure of the expanding mines.

Sinking of the main shaft at Western Areas was completed on March 3, 1961, and at present work is in progress on the installation of the permanent shaft equipment.

At the end of the March quarter the main shaft was at a depth of 6,502 at Zandpan and it is anticipated that it will intersect the reef in the very near future.

At Stilfontein both the James and the Toni shafts have now been completed and the last major shaft to be sunk from surface, the Scott shaft, is now in progress. In the short term the Stilfontein finances will be rather strained to maintain the present dividend but in the long run the prospects are promising.

With primary uranium producers such as Randfontein and West Rand Cons. the new fixed revenue for their uranium is of advantage when considering a gold price increase. Previously any increase in the revenue from gold would have reduced to a certain degree their revenue from uranium on the "cost-plus" formula.

The Harvie-Watt shaft sinking of Libanon is now complete and it is at present being equipped. This new shaft will open up the southern portion of the lease area.

Government G.M.A. now relies to quite an extent upon its pyrite production and will obviously be affected by the uranium stretch-out. However, it is not yet clear to what extent its present contracts will be changed.

Daggafontein is one of the uranium producing mines that has sold only a portion of its contract on a royalty basis. It is now planned, with only a reduced quota to fulfil, to operate at a higher uranium grade by passing the Kimberley reef slimes through the north flotation plant.

The prospects of Freddie's Consolidated continue to be dismal though the royalty that it is to receive following the sale of its uranium quota has given it a certain guaranteed income.

The initial shaft sinking programme at Braken has been completed and the first development results have been announced. Over a total 105 feet sampled 100 per cent proved payable at 204 inch dwts.

For the first time the grade at St. Helena has reached 7.2 dwts. This factor together with a record throughput for the quarter at 530,000 tons has resulted in a record profit. Saints, however, are now liable for taxation and have estimated the government's share of profits this quarter at £619,400.

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